



SOUTH EAST ENGLAND REGIONAL ASSEMBLY SUPPLEMENTARY RESPONSE TO THE LYONS INQUIRY

The South East England Regional Assembly would like to accept the invitation to submit further evidence following the publication of the Barker, Leitch and Eddington reviews. The Assembly's response follows.

1. Spatial planning has fundamentally changed the nature of planning in this country. The emphasis on creating communities is reflected in the need for regional and local planning authorities to work on a partnership basis with a wider range of organisations involved in the provision of infrastructure and services. This is the practical realisation of what the Lyons Inquiry refers to as local government's role in "place shaping".
2. The region's work on implementation has provided for the first time a comprehensive picture of the region's infrastructure requirements. The Implementation Plan is the region's business plan. It identifies what needs to happen, when it needs to happen and who needs to take the action. It also provides the framework within which detailed implementation plans at the sub-regional and/or local level can be prepared.
3. The concept of the Implementation Plan is now widely accepted in the region as the means of improving the alignment of investment to ensure the timely delivery of infrastructure, as the debate at the South East Plan Examination in Public has served to emphasise. The partnership basis of the Regional Assembly and the associated Regional Housing and Regional Transport Boards, has been a critical factor in the success of the region's approach to implementation and it provides the basis of a long-term relationship with Government on how to deliver sustainable growth.
4. The close working relationship with SEEDA has ensured that the draft South East Plan and Regional Economic Strategy provide a consistent regional policy framework. The Assembly and SEEDA are now actively engaged in developing a Joint Implementation Plan that provides a comprehensive investment framework for the region; one that embraces investment in both spatial and economic development.
5. The region continues to develop its approach to implementation. Joint working with the Environment Agency has enabled the quantum of investment in environmental infrastructure (water supply, water treatment, waste management, flood defence and biodiversity) required over the next 20 years to be identified for the first time.

An ongoing dialogue with the regional Learning and Skills Council is working towards ensuring improved alignment of investment priorities in skills.

6. The success achieved in moving the focus of the planning system onto implementation has been achieved within the planning framework established in the 2004 Planning and Compulsory Purchase Act. It demonstrates the ability of regional governance structures to work on a partnership basis that is accountable and provide the effective strategic leadership necessary to deliver sustainable development.
7. A significant factor in this success has been the devolution of some decision making to the region through the Regional Funding Allocation process. The region has demonstrated the benefit of devolving decision making away from Whitehall and shown that if it is provided with a clear financial framework it is able to make what are often difficult decisions on investment priorities.
8. Our submission to the Comprehensive Spending Review emphasises the importance of continuing to devolve responsibility for decision making to the regional level. It has also highlighted the importance of Government giving greater emphasis to regional priorities when determining investment priorities for national delivery agencies.
9. The proposal put forward by Barker that Government should publish Statements of Strategic Objectives sounds potentially attractive. However in order to ensure that such statements are soundly based in a plan-led system that is evidence based there may be a need to ensure that they are subject to an appropriate level of scrutiny. It is notable for example that at present Government argues that statements of national policy do not need to be subject to the same rigours of Sustainability Appraisal and Appropriate Assessment that the spatial planning system is required to comply with. It is difficult to envisage that the content of Statements of Strategic Objectives could similarly be excluded by Government from requirements laid down in other statutory instruments.
10. In considering this particular proposal there may be considerable merit in considering the merits of preparing a “light touch” national spatial framework for England that could provide the level of clarity sought in terms of identifying national priorities, including identifying nationally significant infrastructure projects. Such a framework would have the benefit of providing a clearer context within which Regional Spatial Strategies are prepared, something that would probably reduce the time taken to prepare such documents. It would have the added benefit of ensuring that the identification of national priorities takes place on a more holistic basis than might otherwise be the case.
11. The region’s submission to the CSR also highlighted the importance of simplifying funding streams, particularly within the transport sector. The region has a robust and transparent methodology that enables strategic transport priorities to be identified. It is increasingly clear that the existence of a series of discrete funding streams adds complication and potentially leads to delays in delivery. The regional process is sufficiently robust to enable these funding streams to be simplified and included within the RFA process.

12. Adopting a business planning approach to the identification of investment priorities has been fundamental to the success of our work on implementation. It also provides a solid basis for ensuring that the allocation of the revenue stream generated by the Planning Gain Supplement will be effectively targeted at regional priorities.
13. The business planning approach is increasingly being adopted at the local level. It has been applied most successfully in the region's Growth Areas of Milton Keynes/South Midlands and Ashford and other sub-regional areas in the region are now drawing on this experience to develop similar approaches.
14. It is envisaged that the infrastructure requirements of the local community will increasingly be set out in a Local Infrastructure Plan that will emerge from the work necessary to prepare a Local Development Framework. As well as acting as an effective means of aligning funding streams at the local level, such documents could provide the basis for ensuring that the revenues generated through the Planning Gain Supplement are targeted at identified community needs. They would thus provide the basis for local authorities to demonstrate how the contributions from individual small scale development can be co-ordinated towards wider community benefits.
15. The draft South East Plan identifies a number of sub-regional areas where there is an identified policy deficit that needs to be addressed on a cross boundary basis. The strategic infrastructure requirements for each sub-regional strategy are in turn identified in the Implementation Plan. It is clear that increased cross boundary working will be required to deliver the sub regional strategies and the draft South East Plan provides the context for this to take place. However there is growing evidence that the framework that governs the preparation of joint policy documents can be a disincentive to cross boundary working.
16. An increasing concern is the number of "spatial geographies" that are used in determining investment priorities. The introduction of sub-regional housing market assessments as part of the new PPS3 potentially adds significant confusion. As a tool for informing the development of policy there is undoubtedly significant potential in such assessments. However it is important to remember that housing need is but one factor in determining spatial planning policies. It is equally important to bear in mind that the regional objectives set out in both the draft South East Plan and the RES set out policies, and delivered through investment, may well seek to change the nature of housing markets over time.
17. An important consideration in taking the recommendations of the Reviews forward is how to ensure that the appropriate skills and resources are available at the right level of governance. There is growing evidence in the region that skills, particularly in respect of implementation and monitoring, are not being retained within local authorities. A genuine commitment to devolution of decision making away from Whitehall may provide the opportunity to redirect resources to local government.

18. Eddington restates many of the concerns arising from the distinction between capital and revenue investment. He emphasises that separate capital and revenue allocations have a real effect on decision makers. In 2004 the Panel that conducted the Examination in Public into the Regional Transport Strategy drew attention to this particular issue and called on Government to conduct an urgent review into the capital/revenue split. It is regrettable that nearly three years on this remains one of the major barriers to delivering infrastructure that supports behavioural change.
19. The Barker review identifies the vital role that public accountability plays in ensuring that an appropriate balance is achieved in identifying the appropriate level of development, its distribution and the associated infrastructure requirements. The progress made in South East England in respect of implementation emphasises the importance of focusing on alignment of policy and funding streams. The region's submission to the Comprehensive Spending Review sets out how this is being achieved within the existing legislative framework. It provides clear evidence of how the policy levers across different bodies can be aligned in an effective way through partnership working.

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