

## South East Plan Implementation Plan

### 1. The Role of the Implementation Plan

- I.1 Spatial planning goes beyond traditional land use planning, to bring together and integrate policies for the development and use of land with other policies and programmes that influence the nature of places and how they function.
- I.2 The policies within the South East Plan provide the spatial direction for the region and need to be integrated and co-ordinated with a range of other plans and programmes likely to have a bearing on land use, e.g. health and social issues, economic development, learning and skills and environmental infrastructure.
- I.3 The Implementation Plan is an integral element of the South East Plan and is in effect a business plan for the region. It identifies what needs to happen, when it needs to happen and who needs to take the action. Delivery of the South East Plan will require a partnership approach amongst a wide range of stakeholders, ranging from Central Government, regional agencies, local authorities, delivery agencies, environmental bodies, the private sector and regulatory bodies. Only by working together in partnership will it be possible for the region to deliver the planned levels of growth set out within the South East Plan.
- I.4 The Implementation Plan is not just about delivering investment in infrastructure but also maps out the need for stakeholders to work together to effect behavioural change in the way the region uses the full range of resources; natural, physical and financial. The need for partnership working is essential in order to deliver the outcomes associated with the South East Plan.
- I.5 Delivery of the South East Plan will be subject to external influences relating to the political, social and economic environment. It is therefore important that progress with the Implementation Plan is monitored on a regular basis as part of the statutory monitoring framework established as part of the South East Plan.
- I.6 Monitoring the delivery of the South East Plan is a statutory requirement and the framework set out within the Implementation Plan provides a backcloth that will assist in the monitoring process. Associated with each annual monitoring report will be an action plan that specifically identifies the remedial action that needs to be put into place to address areas of the South East Plan that are not being delivered.

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- 1.7 The Implementation Plan provides a framework within more detailed Implementation Plans can be prepared at a sub-regional and, where appropriate, local level. The Implementation Plan also provides a framework within Local Housing Delivery Action Plans can be prepared.
- 1.8 The level of detail set out within the Implementation Plan will be a function of the time. Those measures that need to be implemented in the early stages of the Plan period will have been developed to a high level of detail, whilst those required for later stages of the Plan period are unlikely to have been developed to the same degree. The Implementation Plan therefore provides a clear context within which individual delivery agencies are able to plan their forward programme of work.

### 2. Overarching Approach

- 2.1 The inadequacy of infrastructure provision to keep pace with delivery of planned levels of growth in South East England was one of the key issues identified through the development of the South East Plan. There is a widespread perception that the region has suffered from a degree of under-investment compared with both the needs of the region and the level of investment made in other regions, especially in respect of transport and affordable housing. Of equal concern is that the serious time-lag in investment that arises in the delivery of measures that address identified needs.
- 2.2 This legacy of past under-investment in the region serves as a constraint on the region realising its full potential, in terms of the region's role as the economic powerhouse within the UK and within Europe. Under investment in the past not only has an adverse impact on the economic performance of the region, it has also resulted in an increased environmental impact and reduced quality of life for the citizens of the region.
- 2.3 The South East Plan has been prepared on a partnership basis with stakeholders across the region. The policy framework set out within the Plan is dependent on co-ordinated measures taking place in a number of ways and at a number of levels. The South East Plan acknowledges that delivering planned levels of growth in the future will require a mixture of responses, and cannot be achieved solely through investment in hard infrastructure. Reducing the demand for and use of resources is a key dimension of the Implementation Plan.
- 2.4 Demographic changes during the Plan Period will inevitably change the nature of some of the demands placed on the region's infrastructure and services. This is likely to require changes in both the spatial distribution of resources and their focus.
- 2.5 Notwithstanding the need to reduce the demand for resources and manager the use of existing resources, there will remain a need of planned levels of growth to be supported by investment in additional infrastructure capacity. However, within the context of a more clearly defined financial context

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within which to plan at both the regional and local level, the nature of that investment may need to change.

- 2.6 There are thus principally four levers that are available through which delivery of the South East Plan will be achieved:
- Behavioural changes
  - Regulatory changes, including interventions by the Government on the grounds of public policy interest
  - Management of the existing asset, including aspects of service delivery as well as physical infrastructure
  - Investment in additional infrastructure capacity
- 2.7 The framework for implementing the policies set out within the South East Plan is set out in Annex 2a. The format of this framework follows the format successfully pioneered with the partial reviews of Regional Planning Guidance (RPG9). For each individual policy the framework identifies the delivery mechanism, the lead organisation(s) responsible for taking forward the delivery mechanism plus the organisations that have a key role in supporting delivery.
- 3. Infrastructure**
- 3.1 In considering the scale of the “infrastructure” problem and in seeking a way forward there is a need to be clear about the definition being used for the term infrastructure and the types of both “hard” and “soft” provision that it encompasses. The development of the Implementation Plan has been based on the following definition of infrastructure. This definition derives from work commissioned by the Assembly and that of Roger Tym and Partners for the South East Counties.

Table I Infrastructure Definition

Transport	Roads, rail
Housing	Social rented housing Affordable housing
Education	Further education colleges Secondary and primary schools Nursery
Health	Acute care and general hospitals Mental hospitals Health centres/primary care trusts Ambulance services
Social Infrastructure	Supported accommodation Social and community facilities Sports centres Open spaces, parks and play space
Public Services	Waste disposal Libraries

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	Cemeteries Fire Brigade Police
Utility Services	Electricity, gas, water Waste water
Flood Defences	

- 3.2 In terms of identifying future infrastructure requirements there is a need to have an evidential basis for the proposals that are included within the forward programme. The evidence base should ensure that the facts are assessed as carefully as possible and that full consideration is given to the changing nature of demand for services. Behavioural changes in particular have the potential to substantially change the infrastructure requirements over the Plan period.
- 3.3 The analysis undertaken of infrastructure requirements across the region identified that in overall terms the levels of investment required to support the delivery of the level of growth identified in the South East Plan relates reasonably well to current levels of public investment in most sectors. Some aspects of infrastructure are funded through formulaic approaches that are related to changes in population. However the analysis identified that investment in transport and affordable housing were two aspects where the current level of investment would not be sufficient.
- 3.4 The spatial planning approach that underpins the South East Plan has encouraged the development of a far better understanding of the infrastructure requirements need to support delivery of planned levels of growth. Our level of understanding of the infrastructure requirements will continue to improve as work on the development of Local Implementation Plans progresses. This will in turn enable the Implementation Plan to be updated and refined.
- 3.5 Throughout the development of the South East Plan an over riding concern has been the issue of timing of investment in infrastructure. The failure to provide infrastructure in a timely and efficient manner not only slows delivery of planned levels of growth it also reduces the opportunity to realise the potential for contributions from the private sector to support delivery.
- 3.6 In order to assist in the delivery of the outcomes set out in the South East Plan there is a need for all parties to acknowledge that there will be a need to support the level of growth identified with the timely and adequately resourced provision of infrastructure if the growth is to deliver sustainable communities. To that end, and in the spirit of partnership, the Regional Assembly has proposed a concordat between the Government and the region that will help address this issue.

## 4. Pre-Conditions for Effective Implementation

- 4.1 There is a need for certain conditions to be in place if the planned levels of development set out in the South East Plan are to be delivered in an effective and timely manner. These include:

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- Sustained levels of public sector investment – the analysis of the balance between infrastructure requirements and funding availability was undertaken on the basis of the current levels of public expenditure. Any reduction in current levels of public expenditure arising from future spending reviews would therefore put at risk the ability to deliver planned levels of growth. In addition it should be noted that the analysis has been based on the level of growth set out in the South East Plan. Higher levels of growth would need a higher level of public sector investment.
- Increasing the contribution from the private sector – there is a need to build upon the work in the Growth Areas and roll out the local tariff approach to other parts of the region. The development of funding mechanisms such as the Regional Implementation Fund will further enhance the ability to capture contributions from the private sector.
- Increasing the level of integration in investment decisions – exploiting opportunities to co-ordinate investment decisions at a local level more effectively offers the potential to value engineer infrastructure solutions. At a national level there remains a need for better co-ordination between Government departments and their associated agencies.
- Acknowledging the gateway function – the region is a gateway for much of the country, as a result many of the pressures on the region's infrastructure arises from transit movements. The benefits that accrue to the wider UK economy from this movement should therefore be reflected in the resources made available.

### 5. Behavioural Change

- 5.1 A key dimension of the South East Plan is the need to effect behavioural change in a number of policy areas. Such changes are sought as a response to the challenges facing the region in terms of the use of resources and the resulting environmental footprint.

#### Travel Behaviour

- 5.2 The Regional Transport Strategy identifies the need for a rebalancing of the transport system in favour of non-car modes. Whilst this will in part be delivered through investment in the provision of practical and attractive alternatives to the private car, there is a growing body of evidence that the availability of consistent, reliable, easily accessible travel information can effect a major change in travel habits that is long-term.

#### Consumption and use of water

- 5.3 The section on water resources within the South East Plan is based on the application of a twin-tracked approach; a combination of increased demand management and development of new sources of supply, together with the

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protection of river water quality and groundwater. Increasing water efficiency, leakage management and increased use of metering are all measures identified within the Plan that will assist in managing demand in the future.

### Production of waste

- 5.4 One of the most pressing issues facing the region, there is a need to start to minimise the amount of waste sent to landfill through diversion to other methods including re-use, recycling and composting. This will require a significant and sustained shift in behaviour supported by a rapid increase in waste management capacity.

### Consumption and use of energy

- 5.5 New development while only represent a small proportion of overall stock, presents an opportunity to integrate higher standards of energy efficiency and renewable energy technologies, with the benefits extending throughout the lifetime of the building.
- 5.6 Behavioural change is capable of being addressed in the short term. Effecting a change in behaviour will have a tangible benefit in terms of reducing the demand placed upon resources across the region. It requires a change in the way of thinking amongst delivery agencies and will need to be supported by regulatory changes initiated by Government nationally.
- 5.7 Many aspects of behavioural change will focus on raising awareness of good practice and extending the application of this on a wider basis across the region. This process can be assisted in part through the production of toolkits or advice notes that provide practical guidance on how to facilitate behavioural change in a way that complements the planning policy framework set out within the South East Plan.
- 5.8 The Regional Assembly has produced a toolkit for Councillors that provides guidance on how to achieve higher density development through the planning system. A guide on delivering mobility management is in the course of preparation and further toolkits relating to achieving behavioural change are likely to be produced in support of the Implementation Plan.

## 6. Regulatory Frameworks

- 6.1 A number of key infrastructure services are provided by the private sector within a regulatory framework overseen on the behalf of the Government by an independent regulator. Of particular relevance to delivering the South East Plan are the principal utilities; water, electricity and gas.
- 6.2 The utilities operate within a pricing structure set by the regulator. In the majority of instances the regulatory framework discourages or precludes the utility from investing speculatively in anticipation of future growth. The

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inability of utilities to carry out advance provision of services is can be a barrier to delivery of planned levels of growth.

- 6.3 A related issue is the ability of utilities to take a long-term view on the provision of additional infrastructure. Regulatory frameworks are reviewed on a regular basis, however the scale of the investment associated with major increases in capacity are such that for the investment to be fundable its cost needs to be spread over more than one cycle of the regulatory framework.
- 6.4 In the majority of cases the Government retains the right to intervene in regulated sectors where there is an over riding public interest. Building upon the work to date with utilities, particularly those within the water sector, that has taken place in preparing the South East Plan there is a need for further dialogue with both Government and the regulators to identify areas in which the regulatory framework may be refined to support delivery of the broader spatial planning policies set out in the Plan.

### 7. Managing the Existing Infrastructure Asset

- 7.1 Although the South East Plan provides the spatial context for the delivery of growth, new development represents a small proportion of the overall demand for infrastructure. Existing patterns of development and activity will continue to place the greatest demands on the region's infrastructure.
- 7.2 Notwithstanding the current, historically high, levels of public sector investment in the provision of infrastructure, the continuing decline in the provision and quality of key services is a reflection of the fact that the level of investment available to maintain the current asset base is insufficient.
- 7.3 A continuation of this trend will be a major contributory factor to a growing backlog of investment. This will ultimately require a higher level of resource to be addressed satisfactorily (e.g. insufficient resources for highway maintenance led to a backlog in maintenance that had to be subsequently addressed at a higher cost than would otherwise have been the case.)

### 8. Additional Infrastructure Capacity

National Investment Programmes

- 8.1 Delivery of the outcomes identified in the South East Plan will in part be contingent upon investment made through national programmes managed by the Government and its related agencies. In determining priorities for investment at a national level the Government should take into consideration:
- The significance of South East England's role in providing access to international gateways such as airports and ports which is to the benefit of the wider UK economy.

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- The higher cost of infrastructure delivery arising within a region experiencing development pressures and where construction inflation is rising at a rate higher than general inflation.

8.2 In addition there is a need to acknowledge that delivering the Growth Areas identified in the Government's Sustainable Communities Plan is likely to require a higher level of investment.

8.3 [NOTE: the final version of the Implementation Plan will include a list of national investment programmes on which delivery of the South East Plan will be dependent e.g. the Highways Agency national Targeted Programme of Interventions]

### Regional Investment Requirements

8.4 The South East Plan sets the spatial planning framework for the period to 2026. Within that timeframe it is not possible to identify all of the infrastructure requirements necessary to support delivery of the planned level of growth. Neither it is possible to accurately cost the infrastructure requirements over that time period.

8.5 However drawing upon work commissioned by the South East Counties it is possible to identify, in broad terms, the scale of the investment that will be potentially required to support the Plan (see Annex 2b).

8.6 The majority of this investment will be focused in the sub-regional strategy areas, reflecting the fact that the majority of future growth will take place within these areas.

8.7 [NOTE: each sub-regional strategy is required to identify the infrastructure that is of sub-regional/regional significance and which is critical to delivery of the sub-regional spatial strategy. The information provided by the sub-regional strategies will be used to develop a series of investment frameworks. These will be included as annexes to the Implementation Plan.]

## 9. Funding Mechanisms

9.1 The over riding context for considering potential funding mechanisms are the sources and availability of funding. A comprehensive range of delivery mechanisms, both existing and potential, have been assessed in terms of their relative merits and whether they could be introduced without the need for new legislation. This assessment has demonstrated that there is no single funding mechanism that will provide an adequate answer.

9.2 The preferred way forward identified by the Regional Assembly is a blend of mechanisms comprising:

- Sustained high level of public sector investment funding, irrespective of whatever other arrangements are put in place to capture private sector contributions;

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- Enhancement of the current Section 106 arrangements to fund sub-regional local infrastructure;
- Extension of the local tariff approach pioneered in the Growth Areas to other major areas of growth;
- The introduction of a Planning Gain Supplement set at a relatively low level;
- The creation of a Regional Infrastructure Fund.

9.3 The Regional Infrastructure Fund is a critical element of the package. It should be established as a public/private sector partnership to introduce private sector finance. The Fund would provide substantial up-front capital investment for necessary development related infrastructure, and would reclaim an underwritten payback of developer and other contributions.

### 10. Funding Availability

10.1 The Implementation Plan is based on the assumption that current planned levels of public expenditure will not be significantly increased, given recent increases in expenditure on public services, notably health and education, in recent years.

10.2 The Government has recently identified regional funding allocations in respect of some aspects of transport investment, public sector investment in housing, and economic development. The region is preparing advice on the investment priorities for these funding streams for submission to the Government.

10.3 The work undertaken in respect of identifying transport priorities has reaffirmed the concern that the current level of funding is insufficient to provide for the level of investment that is required to support delivery of planned levels of growth. The evidence base being gathered by the Regional Assembly is enabling the linkages between investment in transport and delivery of housing and economic growth to be more clearly identified. Further work will be undertaken to identify the case for additional funding being made available.

10.4 There are a number of additional funding streams that are potentially available to support delivery of the South East Plan;

- Growth Area Fund – specifically targeted at the Government designated Growth Areas
- Community Infrastructure Fund – again specifically targeted at the Government designated Growth Areas and in particular focused on

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supporting the delivery of transport infrastructure where this can be demonstrated to unlock investment in housing growth

- Transport Innovation Fund – an additional source of funding designed to support delivery of transport measures and in particular measures that support delivery of demand management. The fund has the potential to provide both capital and revenue investment in transport measures

10.5 The Regional Assembly has developed a robust and transparent methodology that has been used to prioritise the infrastructure requirements identified through in the South East Plan.

### **11. The Role of the Regional Boards**

11.1 The Regional Housing Board is a partnership board that is responsible for overseeing the development of the Regional Housing Strategy. The RHS is an action plan that focuses on the role of public sector investment in delivering affordable housing within the region. In this respect the RHS focuses on a specific aspect of the policy framework set out within the South East Plan. The RHB uses the RHS to determine priorities for the available public sector investment. The RHB is currently chaired by the Government Office but is expected to transfer the Regional Assembly during 2006.

11.2 The Regional Transport Board is also a partnership board. The primary focus of the Board's work to date has been the development and application of a methodology that enables investment priorities to be identified. The proposals that have been considered in the process are those identified in the RTS, supplemented by additional proposals identified by Local Transport Authorities. The Board has initially focused on the identification of a forward programme covering the period to 2010/11. The Board will consider the programme beyond 2010/11 in light of the advice received in respect of the sub-regional strategies.

### **12. Updating the Implementation Plan**

12.1 The Implementation Plan will be kept under review throughout the Plan period. It is anticipated that any such review will take place on a cycle consistent with the Government's spending reviews.

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