

**SOUTH EAST ENGLAND REGIONAL ASSEMBLY
REGIONAL PLANNING COMMITTEE**

Date: 25 July 2007

Subject: **Sub-regional Working Arrangements**

Report of: Director of Development

Recommendations:

It is recommended that the Committee:

- i) Note the content of the report.
- ii) Instruct officers to prepare a further discussion paper for consideration at the next meeting of the Committee.

Purpose of the Report:

To begin a discussion on the future role of sub-regional arrangements within the region.

Key Issues:

The term sub-regional is increasingly used as part of a spatial planning approach. However, the term is used by different people to mean different things depending upon the context in which it is being used. As a result it is a term whose use is open to interpretation within the planning context.

It is anticipated that the outcome of the Sub-National Review will reinforce the importance of the sub-regional approach to planning and delivery. Set in that context, and with the publication of the Panel report of the Examination in Public of the draft South East Plan expected shortly, it is timely to give further consideration to the role of sub-regional arrangements within the region.

This report sets out the context for our current sub-regional arrangement. In so doing it appears that the key issues can be grouped under three headings:

- i) Geographical coverage
- ii) Function
- iii) Implementation

1. Geographical Coverage

- 1.1 The term 'sub-regional strategy' has a defined meaning in terms of preparing regional spatial strategies. PPS11, which deals with regional planning, sets out that a sub-regional strategy is required when there is a discrete policy deficit that needs to be addressed.
- 1.2 In preparing the draft South East Plan we sought the views of the local authorities and other key stakeholders as to whether the justification for sub-regional strategies existed. It was on the basis of the evidence submitted to us that we defined nine sub-regional strategy areas. In addition the special circumstances associated with the Isle of Wight resulted in the identification of a 'special policy area'. A sub-regional strategy was subsequently produced for each area, with the preparation of the strategy lead in each case by the appropriate Principal Authority.
- 1.3 It is worth emphasising that the regional policy framework set out within the draft South East Plan applies across the entire region. The policies set out within each sub-regional strategy are in addition to that policy framework and are designed to address specific issues that require a cross boundary approach.
- 1.4 Subsequent to the preparation of the draft South East Plan the preparation of the Regional Economic Strategy identified a number of discrete economic contours. These are broadly consistent with the sub-regional areas identified in the draft South East Plan. Thus, we have a spatial geography underpinning the draft South East Plan and the Regional Economic Strategy that is consistent. This will provide a basis for us delivering our joint commitment to have a single Regional Delivery Plan.
- 1.5 The approach to the definition of sub-regional strategies will be a matter on which the Panel will offer their view in the report on the Examination in Public. However, the outcome of the East of England EiP tends to suggest that the test applied in assessing the justification for the definition of a sub-regional strategy area will be set quite high. In that particular case the Panel recommended a reduction in the number of sub-regional strategies.

2. Function

- 2.1 PPS11 provides the basis for identifying sub-regional strategy areas for the purpose of policy development. However, the term sub-region is also used in a different context in respect of housing and employment.
- 2.2 In respect of housing the recently published PPS3 on housing introduces the concept of strategic housing market assessments (previously referred to as sub-regional housing market assessments). The proposition put forward in PPS3 is that such an assessment enables consideration of housing need to be better aligned to the area over which the housing market operates. In the majority of cases this extends across local authority boundaries.

- 2.3 The difficulty with the concept of strategic housing market assessments is that they represent a snapshot in time. They reflect the way in which the housing market operates now rather than how it might operate in the future. Such considerations are particularly important where policies and proposals set out in the regional spatial strategy actively seek to change the nature of the strategic housing market. For example, the introduction of high speed rail services onto the channel tunnel rail link will alter the nature of the housing market in the Dover and Folkestone area.
- 2.4 In this respect whilst strategic housing assessments are in themselves an extremely useful input into the development of spatial planning policies and proposals, their contribution needs to be put into context. The Regional Housing Board has overseen a series of four pilot strategic housing assessments. These have highlighted a number of practical considerations that need to be addressed before applying the concept more widely. These issues have been raised with CLG and are the subject of an on-going dialogue with the Government.
- 2.5 More recently examination of the nature of employment areas has suggested that one could apply a similar approach to this aspect of the planning agenda. Our knowledge of employment market areas is at an early stage. Again it is important to bear in mind that any assessment of their geographical coverage would be no more than a snap shot in time. However, it is clear that, as with strategic housing market assessments, they have the potential to form a valuable input into the development of spatial policies and proposals.

3. Implementation

- 3.1 Reference has already been made as to how the synergy between the sub-regional strategies in the draft South East Plan and the economic contours set out in the Regional Economic Strategy will assist the preparation of the single Regional Delivery Plan. It is interesting to note that mechanisms for looking at delivery issues on a sub-regional basis are emerging not only in the Government designated Growth Areas (e.g. Thames Gateway and Milton Keynes/South Midlands) but elsewhere in the region, most notably in the South Hampshire sub-region.
- 3.2 The Examination in Public considered at some length the role of concepts such as Growth Points and the RES 'Diamonds' and their relationship with the sub-regional strategies. No doubt the Panel will offer advice on how these concepts relate to the overall spatial strategy. However, the key focus appears to be on realising the individual area's potential for economic growth as opposed to using it as a basis for defining a sub-regional strategy a la the definition set out in PPS1 I.
- 3.3 Increasingly the sub-regional strategy areas set out in the draft South East Plan, and reflected in the RES economic contours, are being used as the basis for allocating investment. The Regional Housing Board has recently submitted its advice on the allocation of funding for the next three financial years. The spatial distribution reflects that set out in the two key regional documents.

- 3.4 Likewise, the Regional Transport Board has used the sub-regional geography in the regional documents as the basis for producing some indicative allocations for the future allocation of funds. In this case, such an indication at this stage provides local authorities with greater clarity of potential funding availability. This in itself should assist authorities in determining the most appropriate solutions to the problems identified at the sub-regional level.
- 3.5 In a similar vein the recent consultation by SEEDA on the future role of sub-regional partnership arrangements has highlighted the importance of the sub-region as a focus for investment decisions.
- 3.6 Finally there is the issue of monitoring. Assuming that the basis for producing a sub-regional strategy is proved to be sound through the Examination in Public, there will be a requirement to monitor delivery on a sub-regional basis. This is once again an area that the Panel is expected to offer a view. For the purposes of this paper the key point is to acknowledge that there may be a need to adjust the basis on which information is collected in order to assist in monitoring.

4. Discussion

- 4.1 The basis for the identification of the sub-regional strategy areas in the draft South East Plan is well documented. The publication of the Panel report following the Examination in Public will offer an independent view on the merits of individual sub-regional strategies. This may require changes to be made in both the scope and content of the strategies.
- 4.2 Notwithstanding the publication of the Panel report it is widely anticipated that the forthcoming Sub-National Review will serve to emphasise the importance of adopting a sub-regional approach.
- 4.3 It is worth noting that the English Regions Network, in partnership with CLG and the Planning Officers Society, has recently let a consultancy commission specifically focused on sub-regional working. This research project is expected to be completed in approximately three months.
- 4.4 Set in this context it is clear that further work needs to be done in terms of setting out the role of the sub-regional areas. In particular there is a need to:
- i) Develop a clear understanding of the relationship between the various building blocks identified elsewhere in this report.
 - ii) Simplify the number of building blocks wherever possible.
 - iii) Establish a consistent language/terminology in terms of the building blocks used to define the policies and proposals that need to be applied at the sub-regional level.
 - iv) Set out the relationship between the definition of sub-regional strategies and the decision making processes used in the allocation of funding at the regional level.

- v) Explore in greater detail the implications for the collection of monitoring data.
 - vi) Explore the potential relationship between sub-regional strategies and Local Area Agreements, and potentially Multi-Area Agreements.
- 4.5 While it will not be possible to come to a definitive view on the way forward for the sub-regional arrangements until later in the year, a preliminary discussion focused around the matters set out above, will assist us in preparing an initial position. This will be important in helping us to respond to the publication of the Sub-National Review and the Panel report.

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