

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

Date: 28 November 2007

Subject: **Sub-National Review - Developing Proposals for an Integrated  
Regional Strategy**

Report of: Director of Planning

**Recommendations:**

That the Committee notes the views of the English Regions' Network on the Integrated Regional Strategy (Annex A), and the timescale and process for taking forward the Government's proposals for this particular part of the wider Review of Sub-National Economic Development and Regeneration (SNR).

**Purpose of the Report:**

To update the Committee on work being undertaken by Assembly Officers on the proposals for Integrated Regional Strategies, which are expected to replace Regional Spatial and Economic Strategies (and others) post 2010 as part of the Government's SNR proposals.

**Key Issues:**

The Government published its Review of Sub-National Economic Development and Regeneration (SNR) on the 17 July. The Assembly has been working at officer and Member level on a number of the specific proposals coming out of this, both in a South East capacity and as lead Assembly for the English Regions Network (ERN). This paper focuses on how we have been addressing the specific proposal to replace Regional Spatial and Economic Strategies with one single regional strategy. Our experience of preparing a significant regional strategy and our expertise in spatial planning are proving vital to CLG and other government departments as they prepare for the first consultation, expected in December. Although there will be an opportunity for the Assembly to respond formally to the consultation at that time, it is important for the Committee to be aware of some of the emerging issues now so that they can share these with their member organisations and with wider partners in preparation for the consultation.

## **1. Introduction**

- 1.1 The SNR will fundamentally change the way in which we plan for the region in future. Two key proposals are the transfer of responsibility for regional planning from Assemblies to the RDAs and the replacement of both Regional Spatial and Economic Strategies with an Integrated Regional Strategy (IRS), to help reduce 'regional clutter'. Transfer of the Regional Planning Body function which will require primary legislation, is not expected to take place before 2010. The first IRS therefore is unlikely to emerge before 2012/13 at the earliest (depending on the final process for preparation).
- 1.2 The report to Executive in October (Agenda Item 3) summarised the SNR proposals and you have already had an opportunity to debate issues around governance and organisational structures at the Plenary meeting on the 14 November. These debates are continuing and regular updates will be provided as we develop our own regional response to these aspects. This paper addresses the specific proposal for an Integrated Regional Strategy. It does not provide a South East response to what this might look like and how it should be prepared, as this will be included in the Assembly's formal response to the government's consultation. It does, however, outline some of the key issues we will have to consider as part of that response.

## **2. Influencing the Proposals**

- 2.1 Since the SNR was published, we have been working closely, at officer level, with government departments to help them understand the complexities of the planning system (in which, it is assumed, the IRS will continue to operate) and what this means for both the content of any future strategy, and process for preparation. A key part of this was a workshop held on 1 October with Regional Assembly Planning Directors, Government Offices, CLG and BERR. This focused on the IRS as well as how we handle the transition period - particularly how we manage the reviews of all RSSs to meet the requirements of the Housing Green Paper (see Item 10.1, Items for Information, of the Regional Planning Committee on 26 September 2007). A paper outlining the views of ERN as a result of this workshop is contained in Annex A.

## **3. Key Issues**

- 3.1 It is clear from discussions with government officials that the aspiration is for a high level strategy, with a preparation process which is more streamlined and faster than the current RSS process. This reflects concerns of the RDAs that the IRS must be accessible to businesses, both in terms of content and process. However, the IRS will also have to be prepared within a political environment, given the continuing key role of local authorities; will have to be governed, to a certain extent, by planning legislation and all the public participation and testing that this involves; and will have to be capable of being implemented at the local level.
- 3.2 None of this suggests simplicity or speed. With this in mind, there may be a desire to cut corners on parts of the process that are seen by government officials and the RDAs / business community as unnecessary bureaucracy, such as the Examination in Public.

Whilst EiPs are without a doubt time and resource consuming, they also can significantly improve the final product, allow proper independent technical testing and help ensure the process is transparent, all of which should be attractive to the Government and RDAs.

- 3.3 Government officials have also indicated that the IRS is likely to be built around three core targets reflecting economic growth, housing supply and climate change / CO<sub>2</sub> emissions. With other policy areas, there would be some flexibility for each region to respond in a way that reflects their particular needs. This is important, particularly in terms of the very different sub-regions around the country, with the focus on city regions in the north and a much more polycentric model in the South, and the arrangements that support these. Despite the Government's fixation with sub-regions, there is a considerable amount of issues in every region that would have to be addressed if sub-regional arrangements are to be managed in a comprehensive way and in harmony with administrative boundaries.
- 3.4 An issue related to this is how we handle housing provision in future. There is no consensus on this amongst the Assemblies. Some are attracted to an IRS that includes an overall housing number and distribution to sub-regional level only (this could be based on county / unitary areas, sub-regional housing market areas or current sub-regional areas), with the district distribution managed outside the IRS process (i.e. by the local authorities). Whilst this would address some of the RDAs' concerns, it would simply push the decision-making down to another level where there would have to be proper mechanisms in place to handle it. On the other hand, some recognise the inevitable tensions that would result from the first option and would therefore prefer district housing distribution to be dealt with at the regional level, through the IRS, which would lengthen the process considerably.
- 3.5 In terms of process, one of the problems with the current system is that preparation of the RSS is initially managed by the Assemblies but then handed over to the Government Office to complete. This has significantly increased the amount of time needed. The context for the IRS will in future be very different and could have implications for the process. The Government will provide each region with a range of housing figures to be tested through the IRS process, based on the advice of the National Housing and Planning Advisory Unit (NHPAU). The Government will also provide an economic growth target for each region and a target around climate change. If the Government is therefore setting the context, there is no need to transfer the strategy to the GO at draft stage. The Secretary of State's role should only be to sign-off the final strategy.

#### **4. Onward Process**

- 4.1 Discussions are continuing on an informal basis with CLG and others to help them understand the complexities of the current system and explore how the new system could operate. A formal consultation on the IRS is expected before Christmas, as part of a wider SNR consultation package.

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15 November 2007

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## **English Regions' Network response to the proposals for an Integrated Regional Strategy, Outlined in the Sub-National Review**

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**October 2007**

### **INTRODUCTION**

1. On the 1 October, CLG/BERR held a workshop for Assembly Planning Directors (referred to in this paper as the English Regions Network) and Government Offices to consider the proposals for an Integrated Regional Strategy. In addition to, and to reinforce some of the comments made during the workshop, the ERN would like to comment on two particular aspects of the proposals; the aspirations for a speedier process and a high-level strategic strategy.
2. The views expressed here are of practitioners working within the current system at all levels, with the benefit of extensive knowledge of the planning system and experience from preparing Regional Spatial Strategies (RSSs). As a group of Directors, we are committed to making the new system work effectively and efficiently, and are already working regionally and inter-regionally to achieve this. However, in exchange for this positive approach we request that government departments (particularly CLG and BERR) make it very clear to regional partners and Ministers that the Assemblies are very much alive and have important business to undertake on behalf of Government (e.g. the requirements of the Housing Green paper) during this, inevitably, difficult period. The proposals in SNR are already putting strains on our capacity to deliver (particularly on staff resources) and if a full service is to continue during the transition period, there must be certainty and not diminution of budgets over the next 2–3 years.

### **HOW DO WE MEET THE NEEDS OF THE PLANNING SYSTEM AND PROVIDE A CONCISE, HIGH LEVEL REGIONAL STRATEGY?**

#### **Content of the IRS**

3. Under the current system, the content of RSSs is dictated by PPS1 I which lists the topics that must be covered. Whilst this reflects Government's desire to ensure that 'spatial' issues are properly dealt with following the 2004 P&CP Act, it has resulted in a number of policies being included that do not necessarily have a role at the regional level and could adequately be dealt with at the sub-regional or local level.
4. The aim should be to ensure that the IRS focuses on the key strategic issues facing each region. ERN believes that minimum central guidance on this is needed – regions need to develop what works for them. We therefore suggest that a similar approach to that used for the Regional Sustainability Frameworks should be adopted. Each IRS would have to include the 'essential ingredients' dictated by Government but there would then be flexibility on the other issues that need to be addressed at the regional level and by this specific strategy.
5. There seems to be a view emerging that a considerable element of RSSs and RESs provide guidance on implementation rather than policy. Whilst it is accepted that these elements would be more appropriate in the delivery plans for the strategies, issues around implementation, particularly infrastructure and other investment priorities, must be addressed as part of the plan preparation process. This will ensure that the policies/proposals are deliverable; will ensure 'buy-in' from government departments, government agencies and infrastructure providers/regulators; and will help form the link

between regional funding allocations, MAAs and LAAs, which we are concerned is not currently being addressed by Government.

### **The starting point**

6. The current round of RSSs will establish spatial strategies for all parts of England. Most of these will not be in place until 2008, yet we will be embarking on preparation of the IRS by 2009/10. ERN's view is that the starting point for the IRSs must be the spatial strategies in the new RSSs, particularly as these are being used to inform a) long term investment priorities and b) planning at the local level.

### **Role of the IRS as part of the 'development plan'**

7. The IRS will provide the strategic tier of the development plan. There therefore needs to be sufficient detail to guide preparation of the Local Development Frameworks (LDFs) and investment priorities, which is part of the reason why the RSSs have ended up more detailed than initial expectations. ERN's view is that if the IRF is to be more strategic in nature, there will have to be mechanisms to provide additional guidance to local authorities (and others). Some form of statutory supplementary guidance could provide a valuable role in this, particularly in relation to the sub-regional framework. Supplementary guidance could also guide the interpretation /implementation of IRS policies at a more local level.

### **Spatial specificity**

8. RSSs have taken different views on how spatially specific these should be, reflecting regional variations in geography, scale etc. There is no consistent advice on this from government or PINS, with each EiP Panel taking a different approach to the level of detail that a) is included in the RSS and b) is tested at the EiP. ERN therefore does not have a view on this but would like to ensure that the following points are taken into account when considering this issue:
  - Under the current system, RSSs must include elements of specificity down to sub regional and district level for certain topics e.g. housing distribution to district level, management of waste. This has often been the most difficult and controversial part of the process. In some regions or for some topics, strong leadership at the regional level will be required to work with stakeholders to identify specificity down below sub regional level, whilst for others it will be possible to devolve the allocations work down to stakeholders at sub regional or county\unitary level. Therefore flexibility needs to be given to allow regions to address issues at the appropriate spatial level (regional\sub regional\district level etc). However, the evidence-base to inform sub-regional allocations would still have to be significant in depth to ensure deliverability and there would need to be confidence that the district allocation process would be adequately dealt with at the sub-regional level, if not included in the IRS.
  - If the EiP Panel's recommendations are to be binding on the IRS (see 14 below), any spatially specific proposals would have to go through the appropriate testing process at the EiP i.e. they would have to be subject to SEA/SA etc to ensure that they can be delivered.

## **HOW DO WE STREAMLINE AND SPEED-UP THE PROCESS?**

### **Health warning**

9. All comments/views expressed below come with the health warning that, despite there being a clear commitment by successive governments to 'speed up the planning system' this has never been achieved.

There needs to be a recognition therefore that any new process will still have to meet the requirements of the statutory planning system (including all the SA/SEA requirements) and will still require stakeholder involvement (the preparation of the IRS will be a much more open and transparent process than that for the RES). Whilst preparation of the IRS may be quicker under the proposed new system, it will still be long compared to the processes that currently underpin Regional Economic Strategies and other non-statutory plans.

### **Managing the preparation process**

10. Under the current system, the Regional Planning Body (RPB) is responsible for preparing the draft RSS but this responsibility ends once the plan has been submitted to government and the GO takes over. In our experience it is the post-submission stage that has caused much of the delay in the preparation process, particularly as the GO has to prepare the final plan and is unable to discuss this with the original authors (i.e. the RPB) because of propriety issues.
11. Under the proposed new system, the parameters around the key issues the government is interested in (housing numbers and economic growth) will be set centrally. It is the ERN's view, therefore, that the RPB should be responsible for the whole preparation process with the Secretary of State only signing off the final document.

### **Options for future growth – testing process**

12. The ERN advocates a more pragmatic approach to 'testing' of options (prior to EiP) which could help strip out a number of processes associated with Sustainability Appraisal/Sustainable Environment Appraisal (SA/SEA).

### **Examination in Public (EiP)**

13. There has been much debate about whether all or just part of the IRS should be subject to testing through an EiP process. ERN's view is that all parts of the IRS must be subject to the same process. Under the current PPS11 driven process for RSSs, the Panel decides what policies should be subject to detailed testing through the EiP; there is no requirement on them to test the whole strategy. Our view is that a process similar to this would be necessary, although there could be a clearer steer to the Planning Inspectorate to examine core parts of the strategy (e.g. growth proposals; spatial priorities; and key investment proposals) and issues that are either controversial or require (in their view) further justification/investigation through the examination process.
14. One way that this part of the process could be speeded up is by involving the Panel in different stages of the process so that they do not have to consider the whole strategy near the end of the preparation process. For example, they could be asked to test the issues and options.

### **Binding Panel Report**

15. One option to deliver a quicker process is to make the EiP Panel's recommendations binding on the IRS, which could effectively get rid of the requirement for the Proposed Changes stage in the process. However, there are pros and cons with this:
  - PINS would have to significantly change the way they manage the EiP process and leave no room for ambiguity in their recommendations
  - It would need to be much clearer as to what is being tested through the EiP process i.e. would it just be the actual policies that would be subject to the binding recommendations, leaving flexibility in terms of the implementation and monitoring frameworks?
  - The EiP would have to be much more focused on the key issues (see comments in Para 14)

- Spatially specific proposals would have to be adequately tested at the EiP to ensure that they are capable of delivery (see comments in Para 9)
- The experience of local authorities in relation to binding reports should be examined.

#### **OTHER ISSUES** (in no priority order)

- There is a need to have a clear view on what regional boundaries will be applied - GO Regions or RSS regions. This is important for those regions which have National Parks which straddle GO Regional boundaries as it has implications for both planning and RDA activity, especially the Rural Development Programme (RDPE) delivery and funding (as different RDAs have different approaches/priorities).
- There has been very little said so far about the role/remit of the Transport and Housing Boards (or equivalents). There needs to be more clarity around where these sit in the environment envisaged and with housing in particular, what the relationship will be with the proposed new Homes and Communities Agency and its regional offices.
- As with housing and transport, there also needs to be some clarity around the future role/remit of Regional Aggregates Working Parties (RAWPs) and Regional Technical Advisory Bodies - for waste (RTABs).
- Implications for the membership of the RDA Board will need to be considered both as part of the guidance emerging out of the immediate process and as part of the legislation required to transfer responsibility to the RDAs.
- The role of Economic and Social Partners in future decision making is also a critical component in getting the new process right.