

28 November 2006 - Statement by Paul Bevan, Chief Executive of the South East England Regional Assembly

**Opening Statement at the first day of the Examination in Public
into the South East Plan**

Welcome everyone to what is an exciting milestone in the development of the South East Plan.

We have travelled a long distance to get here. The Assembly took on its role as Regional Planning Body in 2001, shortly after it came into existence. We started work on the Plan in 2003 and since then, not only have we developed a detailed and extensive evidence base and carried out the largest public consultation ever on a regional plan, but we have built a strong foundation for partnership working in the South East. This partnership has helped to create ownership from all those involved and our thanks go out to the councils, business and community representatives who have had an input into the plan.

We didn't start from scratch though. We already had a regional planning framework and government policy to guide us. We knew from the Government's Sustainable Communities Plan that the focus for development should be our towns and we already had a legacy with the three growth areas, Ashford, Milton Keynes and the Thames Gateway - and the plan builds on this.

Crucial building blocks in the development of the South East Plan were the partial reviews of RPG9, undertaken by the Assembly. These covered transport, minerals, waste, tourism and energy and have helped to ensure that the plan is consistent with what has already been agreed.

We also had the Integrated Regional Framework which sets out the region's sustainability priorities and targets, to point us in the right direction. This underpins the Plan's vision and strategy which has sustainability at the heart of it.

But this is the first time we have had a 'spatial' plan for the South East which can legitimately consider much wider issues than the traditional land-use planning framework of RPG9. Issues such as climate change, water,

social and economic issues, are included, none of which have been addressed by the planning system in the past.

One of the most significant new areas to develop was implementation – how can we make sure the plan is delivered in the most sustainable way; who needs to help deliver the plan; and how much will it cost. Throughout the last three years, the most consistent and overwhelming message from everyone in the South East – residents and businesses alike - was that we have to do something about properly planning and providing for our infrastructure and make sure that we address the mistakes of the past as well as the needs of the future. The Assembly has estimated that we will need between £37-47bn to bring this up to an acceptable level and support development over the next 20 years. A large proportion of this is already accounted for leaving a potential funding gap of £200-400m each year. That's just 2-4% of the region's net annual contribution to the Treasury. Continuing in the same way as we have up until now with infrastructure investment lagging behind housing growth will simply not be acceptable.

Addressing all of these new issues has meant that we have had to develop an evidence base far more extensive and ambitious than before, with our

research breaking new ground for regional planning, not only in the South East but in some cases nationally. Since 2003 we have spent nearly £3m on our research programme with about 160 projects undertaken to guide the Plan's development.

I could give you many examples of our innovative work at this point but there is only enough time to give you a few to demonstrate the breadth of these projects and the extent of partnership working involved:

Right at the start of the process we established a 3 year partnership with Forum for the Future to explore the best ways for integrating long term 'futures' thinking into the development of a spatial strategy. This led to the development of a 'futures proofing' tool which was employed to enhance the robustness of the draft Plan in the context of an uncertain future, something you will be discussing tomorrow under Matter 1b. This has never been done before for a regional plan.

On infrastructure, work is ongoing to look at new funding mechanisms, one of which is a Regional Infrastructure Fund which we are jointly developing with colleagues in the South West. This could help to ensure that funding

for infrastructure is provided before or at least alongside new development. The government has already shown an interest in how this could work in practice.

Also on infrastructure, we are learning from work already considered cutting-edge in the growth areas. Our close involvement in the MKSM Growth Area from strategy development through to implementation has demonstrated an effective partnership working with other Assemblies, local authorities and Local Delivery Vehicles. The lessons emerging from the implementation of the MKSM Sub-regional strategy have also informed the Plan's Implementation Plan.

On water, we worked closely with the Environment Agency and water companies on both supply and quality issues, looking at a range of future scenarios. The modelling of these scenarios also took into account the impact of climate change and compliance with EU Directives to protect wildlife and fish. This research has helped to match available water resources with the scale and spatial distribution of housing outlined in the Plan and has been highlighted as 'good practice' through the ESPACE (European Spatial Planning: Adapting to Climate Events) project.

For the first time ever, we have a complete picture of the MOD's plans for its land in the South East thanks to joint work with the Assembly and the MOD's Defence Estates.

We worked with colleagues in the adjoining regions and London on a number of projects looking at the inter-relationships between the South East and London, and how these relationships may develop in the future.

More specifically, the Assembly jointly commissioned forecasts with the East of England, Corporation of London and Transport for London, as well as other regional partners, into commuting in the wider South East, which helped inform development of the Plan.

Finally, besides ESPACE we worked with colleagues from other nations on a range of other projects, for example on waste, looking at waste management research and sharing of best practice. This work, which is ongoing, has already provided a better picture of the nature and capacity of recycling markets in Europe and its relevance to the region.

I hope this gives you a flavour of what has been undertaken and achieved on research over a very short space of time.

But the evidence base is one part of the plan preparation process.

Stakeholder involvement and public consultation is another key part.

The Assembly has 112 members with every council offered a seat at the table along with social, environment and economic partners, each bringing a different perspective and breadth of knowledge, be it technical knowledge or knowledge of the local areas within the South East. Assembly members played a significant part through the formal committee process and workshops, and through their role in the work carried out to develop the sub-regional strategies, more of which later. The quality of debate and the level of understanding of the issues each time the Assembly considered the Plan were exceptional and I thank every one of our members for their support, time and energy throughout the last three years.

Our stakeholders also had a key role to play through the Assembly's advisory groups where they provided an expert view, and through participation in various workshops. Many of you will recall the Spring

Debates in 2004 where we held 18 workshops across the region, bringing together stakeholders and Assembly members to look at both the regional and sub-regional issues. Some of you may even recall the workshops held at the start of the process in 2003 to look at urban and rural issues. But this doesn't reflect the more detailed discussions throughout the process with bodies such as the health authorities, Highway Agency, Environment Agency, Network Rail, local planning authorities and parish councils to name just a few.

Another critical component of the Plan's development was the public participation. Although this was an ongoing process, there were two main events. In January 2005 we held a region-wide consultation for 12 weeks. For this, we leafleted every household in the region, over 3m homes, commissioned several opinion polls, which are now hailed as best practice in the government's own advice on regional planning, held a number of workshops with stakeholders, which include 'hard to reach' groups, and held 97 public consultation meetings around the region.

Supplementing this was a consultation for 6 weeks in Autumn 2005 specifically on sub-regional issues. This was undertaken by the local

authorities, reflecting the role they had in developing the sub-regional strategies and the level of commitment they had to ensuring a long-term strategic plan for the South East which could be delivered at the local level.

I pause at this point to give my thanks to all the local authorities that helped in this process, but particularly the authorities that took the lead role in each sub-regional strategy; I don't think any of us envisaged the scale of work that would be required when we embarked on this process.

In total over 95,000 individuals and organisations responded to the Plan's consultation which reflects both the efforts of the Assembly to make sure it reached as many people as possible and the level of public interest in the issues, particularly around infrastructure and housing.

As a result of all of this, I firmly believe that the Assembly has presented the Government with a very clear but ambitious vision for the South East – a healthy region with healthy people, a healthy economy and a healthy environment. A region that offers everyone a high quality of life.

There are however, huge challenges to us all in this. You will be examining these challenges today and over the next 4 months but they will focus

around meeting the demographic and economic needs of the region alongside the environmental and social needs. Getting this balance wrong is not an option, and I trust the Panel will do their utmost to send the right message in their report to the government.

A high quality of life needs a strong economy and the Plan recognises that we must not be complacent about this. The Assembly wants to see regeneration in the parts of the region that are not performing well and to manage the continuing economic growth in other more buoyant areas in a sustainable way. There are, of course, many unknowns in terms of how the economy will perform over the life of the Plan and its impact on where people live and work. We don't know precisely what effect globalisation or climate change will have; we know the 'direction of travel' for new ways of working such as home working but we don't know for sure how much this will change our patterns of work in future – who would have foreseen the impact broadband would have 20, 10 even 5 years ago? But we do think the Plan is sufficiently flexible and responsive to deal with these changes.

But how can we continue to prosper and remain the engine room of the country's economy, and at the same time, ensure that the development

needed to support this protects the environment and existing character that makes the South East so unique. A perfect example of this challenge is the clutch of issues that were discussed last week on the Thames Basin Heaths where the development needs of the area have clashed directly with the need to protect our environment.

The Plan makes it clear that we have a duty to protect the environment for our children and our grandchildren, but we also have a responsibility to make sure that the Plan helps to address housing need for the same people. This is not just about affordable housing, although this is clearly a very important issue, but it is also about getting the right type of housing in the right place, so that the residents of the South East have the right space in which to live and work and can access services without necessarily having to use their car.

The Plan's strategy therefore aims to focus development in the existing urban areas where 80% of the region's residents already live. Whilst this is the most sustainable option for future growth, we must manage the pressures in these areas better in future to protect and improve the quality of life, for example, by making sure that the right infrastructure is provided

in a timely manner, public transport is improved and green spaces are valued.

Part of the attractiveness of the South East is access to a relatively good public transport system and wide job opportunities in the region itself, in our neighbouring regions and, of course, in London. To maintain a dynamic region we need to be open to people moving to and from our area.

However, there is a misunderstanding amongst many that the South East's housing growth is due to the large number of migrants from the rest of the country and outside the UK. Let me dispel this myth. Well-established migration patterns show that the South East loses population to all parts of the UK except London and, to a much lesser extent, the East of England.

Therefore whilst the South East will inevitably continue to provide homes for people moving into the region over the next 20 years, most of the growth will meet internally generated housing demands. This will be examined under Matter 1b tomorrow and again when we debate the housing targets.

Which leads me onto housing; this proved the most difficult and often contentious issue as the Plan developed. In all our opinion research

housing was shown to be the issue of most concern to our residents – for a range of reasons. The Plan’s overall objective to improve the quality of life in the South East means that supporting the necessary economic growth, meeting the different housing needs of our communities as far as possible and protecting our valuable and often irreplaceable environmental assets must all be reflected in the final number. This is a difficult balancing act but we think we’ve got it right with about 29,000 new homes each year.

I am sure during the course of this Examination others will argue for more and for less for particular reasons, one of which will be affordability. The Plan and the evidence makes it clear that we can’t simply build our way out of these problems. The Government’s own research shows that while large increases in construction can affect affordability for prospective homeowners, the increases in construction have to be very large and sustained. We have tried to deal with this as far as the planning system can go in the Plan, even in its new wider ‘spatial’ capacity, but there are limits to which it can directly influence the amount of affordable homes provided. This is an extremely important issue to tackle as it is a major factor in determining the future sustainability of the region. The Assembly will therefore also continue to address issues around housing need through the

Regional Housing Board which is a partnership board with key players in housing delivery, such as the Housing Corporation.

Getting the right type of housing is also important in helping to address the very difficult issue of climate change. The climate change agenda is firmly embedded in the Plan with policies on reducing waste and using scarce commodities such as water and energy more wisely, all of which continuously throw up new and increasingly difficult challenges. We believe the Plan's strategy is flexible enough to respond to these challenges but, as with other issues, delivery is dependent on a wider ownership of the problem and the solutions which go well beyond the responsibilities of the Assembly and the Plan. This is made clear in our Implementation Plan which deals with the issue of behavioural change, alongside infrastructure delivery.

Finally, I have focused on the region-wide issues and this does not in anyway reflect the level of importance given to the sub-regional framework within the Plan. When embarking on this particular part of the journey, the Assembly recognised that although we faced similar challenges across the region, there was also a need to reflect the specific and cross-boundary issues across a very large and diverse region.

The process for agreeing the actual geographical basis for the sub-regions was carried out in partnership with the local authorities and other stakeholders. The agenda for some had already been set through the government's growth areas. These emerged as the East Kent & Ashford, Kent Thames Gateway and Milton Keynes & Aylesbury Vale sub-regions. A further six sub-regions were then established across the region and one Special Policy Area to recognise the distinct social and economic issues of the Isle of Wight.

The Principal Authorities were given a key role under the 2004 Act to take the lead in preparing the sub-regional strategies in the form of advice to the Regional Assembly. They did so through member-led steering groups for each sub-region. They involved all the relevant authorities and stakeholders. The counties and unitaries also took the lead in managing the sub-regional consultation on behalf of the Assembly. Each strategy has been prepared in a slightly different way, looking at different issues, and is underpinned by a different evidence base. This simply reflects the unique nature of each sub-region and the issues within them. However, the Assembly had a role to ensure that there was consistency in approach where consistency was

necessary and undertook an audit at key points in the process, for example, on the way in which the housing distribution was handled. The Assembly also provided independent advice on certain areas such as the sustainability appraisal, to ensure that the sub-regional framework conforms with the overarching regional policy framework.

I believe we now have a very comprehensive and robust sub-regional framework which is supported and owned at the local level, as will be demonstrated when we get to the sub-regional debates.

I hope I have managed in a very short time to set the scene for the examination over the next four months and to highlight some of the hard issues the Assembly has been grappling with over the last three years. We believe we have got it right. This is a robust, sound, comprehensive plan. It is thoroughly researched. Millions have been reached in its preparation. It has wide buy-in from democratically elected councils and legitimate communities of interest across the region. At the end of the process, the Assembly hopes that the final plan will look very much like this one. A plan that sustains economic prosperity and helps to improve the overall quality

of life in the South East, and that is owned by all those responsible for taking delivery forward.

Thank you.