

Regional Structures—Coherence or Conflict?

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Introduction

The Government's regional agenda is driven by a number of mutually reinforcing beliefs. Firstly, that democracy and accountability are strengthened through the decentralisation of decision taking. Secondly, that improved economic performance at the regional level is the key to national wealth creation (it is argued that the most centralised states in the EU are the weakest). Thirdly, that the regional scale of population (around 5 million) is particularly appropriate for the integrated consideration of strategic planning issues and the delivery of sustainable patterns of development.

All of these are reflected in the programme of change at the regional level, which includes:

- the creation of Regional Development Agencies to develop and implement strategies which promote economic development and regeneration;
- the strengthening of the role of regional planning within the planning system, decentralising responsibility and making it more integrated with other policy areas;
- the creation of non-statutory Regional Chambers as high level partnerships to promote the regions, oversee the work of the RDAs and, possibly, subsume responsibility for regional planning guidance.

In this paper I set out the practical implications for the planning system of both the Government's agenda for change at the regional level and its related policies to promote sustainable development. In particular, I want to consider whether these arrangements amount to a coherent and integrated set of policies.

What are the new arrangements?

(i) *Regional Development Agencies*

The Government believes that thriving regions, cities, towns, villages and neighbourhoods are fundamental to the quality of life. To build sustainable communities, prosperity and employment opportunities need to be widely distributed. There are considerable regional disparities in economic performance, with only two regions performing above the EU average (see Figure 1). New Regional Development Agencies have been given the task of promoting increased prosperity at regional and local level while maintaining and enhancing other aspects of the quality of life.

Since April 1 this year Regional Development Agencies have existed in every English region except London. In London the RDA exists in shadow form at this stage. They are run by a board drawn from business, local government, academic and other regional interests. Their annual budgets range from £30m in the East of England to £176m in the North West. They will develop and implement strategies which will aim to provide:

- (a) a regional framework for economic development, skills and regeneration which will ensure better strategic focus for and co-ordination of activity in the region whether by the agency or by other regional, sub-regional or local organisations;

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- (b) a framework for the delivery of national and European programmes which may also influence the development of Government policy; and
- (c) the basis for detailed action plans for the agency's own work, setting the wider aims and objectives for its annual corporate plan.

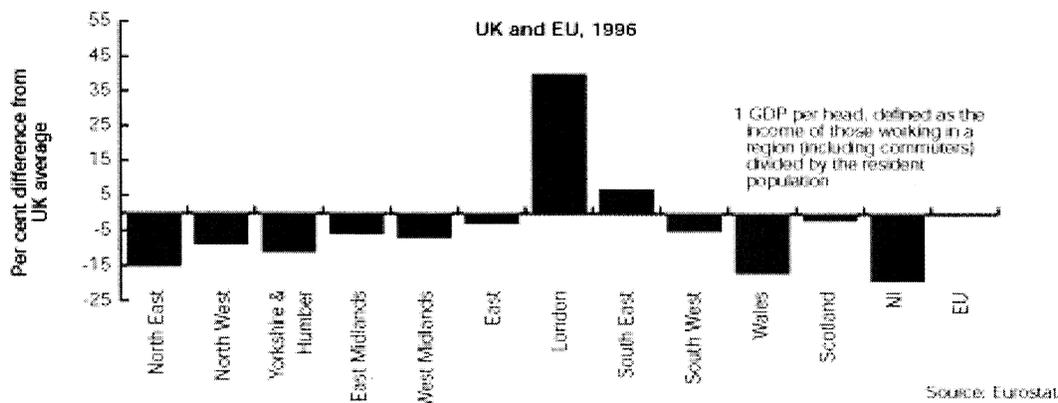


Figure 1

The guidance that has been issued to the RDAs makes clear that the success and effectiveness of an agency's strategy will depend in large measure on the degree of support it commands in the region. The aim should therefore be wherever possible to proceed through dialogue, working in an open and transparent way, so as to develop a strategy and agreed priorities for action.

The strategy should include a clear analysis of the regional economy and of the social and environmental conditions which influence it. It should highlight the strengths and weaknesses within the region, and identify any barriers to regional growth. It should set out for the medium term (5–10 years) the agency's policies, aims and objectives for the region's economy, which will form the basis for decisions on the use of support programme money. The strategy should include an appraisal of the contribution the strategy will make to sustainable development. This is a particularly important requirement, which I will return to later.

All the RDAs have now published their draft strategies for comment. The aim is to have these strategies in place by October 1999. Agencies will wish to develop their strategies over time to reflect changing circumstances but should aim to review the strategy in full every three years.

(ii) Regional Chambers

Regional chambers are non-statutory, made up of local councillors and representatives of the various sectors with a stake in a region's economic social and environmental well being. As such, they are free to determine their own role. However, the Regional Development Agencies Act 1998 provides for Chambers to be "designated" for the purposes of their function in relation to the RDA. Each RDA will be required to:

- (a) have regard to the regional viewpoint of the chamber in preparing its economic strategy;
- (b) consult the chamber on its corporate plan;
- (c) be open to scrutiny by the chamber, "perhaps in the form of an annual hearing to discuss its corporate plan".

There are now designated chambers in place in all regions.

Chambers will play a major consultative role in the development of the RDA's economic strategy. The Government also sees a potential role for chambers in the preparation of regional planning guidance and in agreeing regional sustainability frameworks (see below). Whilst some chambers are focusing on this RDA role, others are taking a broader approach, and intend, for example, to consider how the stakeholders can better co-ordinate their activities at the regional level. This could provide an over-arching vision for the economic, social, and environmental well-being of the region, or more generally provide a voice for the region and develop the capacity for further action at the regional level. The Government will be monitoring the effectiveness of these voluntary, non-statutory, arrangements before taking a view on the future of regional governance.

(iii) Regional Planning Guidance (RPG)

We will shortly be publishing the final version of PPG 11 on Regional Planning. RPG is an important part of the regional agenda and of the Government's initiative to modernise the planning system. The new arrangements reflect the Government's commitment to decentralise decision taking, integrate policy making, increase the legitimacy and transparency of the planning process and promote sustainable development.

The main task of RPG remains the provision of the framework for the preparation of local authority development plans. However, in future RPG will have a broader spatial role informing other strategies and programmes. In particular:

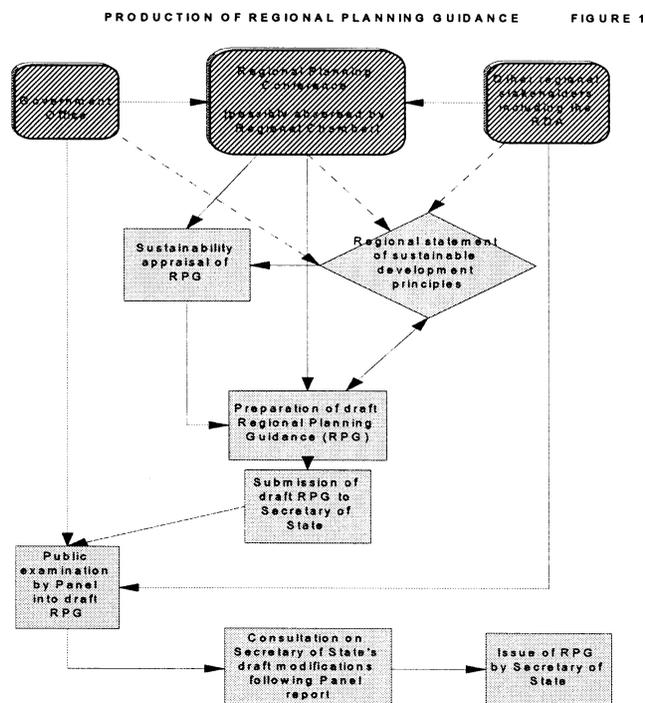
- (a) by virtue of incorporating a regional transport strategy, it will provide the regional context for the preparation of local transport plans; and
- (b) it will provide the longer term planning framework for the Regional Development Agencies' strategies.

To enable RPG to fulfil this broader role, and as part of the Government's agenda for modernising the planning system, new procedures for the preparation of RPG are being introduced.

- (a) Regional Planning Bodies now have enhanced responsibility, working with the Government Offices and regional stakeholders, to produce the draft RPG;
- (b) the draft guidance must be accompanied by a sustainability appraisal;
- (c) the draft RPG will be subject to a Public Examination in front of an independent panel. This will increase the legitimacy of its content and the transparency of the process;
- (d) the Panel report will form the main basis of the SoS's decisions on the draft guidance;
- (e) there will be an opportunity to comment on proposed changes before final RPG is issued by the SoS.

This process is illustrated in Figure 2.

PPG 11 sets out a target timetable for the preparation of RPG, from start to finish, of approximately 2½ years. The current state of play on the revision of RPG is set out in Table 1. It is important to recognise that RPG is part of a continuous planning process. Once final RPG has been published the RPB, in liaison with the GO, should establish monitoring machinery to check on achievement of RPG targets and review it as necessary.



One of the more important changes that we have introduced is the requirement for RPG to be subject to a “sustainability appraisal”. The UK “Strategy for Sustainable Development—A Better Quality of Life” was published in June. The Government has said that it will use the Strategy as a framework to guide its policies across the board and will encourage others to do the same. It sets out four key objectives:

- social progress which recognises the needs of everyone;
- effective protection of the environment;
- prudent use of natural resources; and
- maintenance of high and stable levels of economic growth and employment.

The sustainability appraisal of RPG should appraise the potential impacts of different strategic options in order to integrate sustainable development objectives in the formulation of policies. The appraisal should be published to accompany the draft RPG at the time it is submitted to the SoS. The Department has published research on sustainability appraisal and aims to issue a good practice guide in the Autumn.

Key issues for RPG will be:

- (a) identifying, in a manner consistent with the RDA’s strategy, the regional or sub-regional priority areas for economic development and regeneration;
- (b) establishing the level of housing to meet the region’s housing needs and its broad distribution;
- (c) the transport strategy for the region;
- (d) promoting the “urban renaissance” whilst ensuring that major “greenfield” sites are not released unnecessarily;

- (e) promoting thriving rural communities and the protection of environmentally sensitive areas.

Policies on *economic development* will need to reflect the RDA's strategy. However, it is in RPG that strategic sites will be identified for major inward investment, and locations for the development of growth industries, including clusters of knowledge-driven industry. It will be vital to ensure that regionally, or sub-regionally, significant transport and other infrastructure proposals support these priorities, and, where necessary, provide advice on phasing and programming.

So far as *housing* is concerned, the Government's objective is to provide everyone with the opportunity of a decent home. RPG needs to establish the level of housing required to meet the region's housing needs, taking account of the forecasts that are provided of future household formation. Urban capacity studies should be undertaken to explore the implications of changing policies and standards which would reduce the land-take of new development. RPG needs to help create more sustainable patterns of development. This means:

- (a) concentrating the majority of new development within existing urban areas;
- (b) reducing the need to travel in planning the location of new development;
- (c) reusing previously-developed land, bringing empty houses back into use and converting buildings;
- (d) extending existing urban areas rather than developing outside urban areas; and
- (e) encouraging a high quality environment with the provision of green spaces.

The Government has set a national target that at least 60 per cent of the additional dwellings should be achieved through building on previously-developed land or by converting existing buildings. The national target should be underpinned by appropriate regional targets set in RPG. The draft revision of PPG 3 sets out a new approach to planning for housing. The essence of this approach is that both the assessment of housing requirements and its distribution within the region should be kept under review and if there are signs of either under or over-provision both RPG and development plans should be reviewed accordingly.

New-style RPG will incorporate a regional *transport* strategy which will provide the regional context for the preparation of local transport plans, as well as providing the long-term regional framework for development plans. The RTS should include:

- (a) regional priorities for transport investment and management, across all modes, to support the regional strategy;
- (b) a strategic steer on the role and future development of railways, airports and ports in the region;
- (c) guidance on measures to increase transport choice, including the better integration of rail and bus services;
- (d) public transport accessibility criteria for regionally or sub-regionally significant levels or types of development as a guide to the location of new development;
- (e) advice on the approach to be taken to standards for the provision of off-street car parking; and
- (f) guidance on the strategic context for demand management measures such as congestion charges and levies on private non-residential car parking.

The Government is committed to ensuring that our towns and cities are not only competitive and prosperous, but offer a good quality of life for everyone who lives in them. *Urban renaissance* is essential. The report of Lord Rogers' Urban Task Force was published on June 29. The report highlighted the need for co-ordinated action based on economic strength, environmental responsibility, good governance and social well-being. The Government has welcomed the report which it will consider

carefully in preparing a White Paper on urban policy—which will be the first to be produced in over 20 years. The Task Force report will also inform the Government's Rural White Paper—reviving England's towns and cities is key to relieving pressures in rural areas. The policies set out in the Urban and Rural White Papers will need to be reflected in future regional planning guidance.

Conflict or coherence?

So do these arrangements amount to a workable and coherent set of arrangements for planning and delivering sustainable development at the regional level? There are clearly a number of potential concerns.

Too many regional strategies?

One potential problem is that the RPG and RDA strategies will not be the only ones around. In "A Better Quality of Life" the Government announced that it wanted to see high level Regional Sustainability Frameworks in place in each region by December 2000. These will provide a set of objectives for the sustainable development of the region which will need to be taken into account in both the other strategies. However, in addition we have a host of other types of regional strategy including regional tourism strategies, regional cultural strategies, regional forestry strategies, regional biodiversity strategies and regional housing statements to name but a few. Having appreciated that "regions" is where it is at, organisations are pressing for their own distinct regional strategies. There is clearly a danger of some very un-joined-up thinking. However, these strategies differ in their role and significance, and the collaborative working being promoted for RPG and RDA preparation will help ensure consistency.

Will there be conflict between the RDA strategy and RPG?

Even taking the two main strategies, it has been suggested that the new arrangements are fundamentally flawed, in that responsibilities for strategic planning of land use and transport has been separated from the responsibility for promoting economic development and regeneration. However, the Government took the view, at an early stage, that:

- as the rationale for the statutory planning system concerns the reconciliation of proposals for development with the public interest, it was important for responsibility to remain with democratically accountable bodies; and
- as improved economic competitiveness was to be achieved, in the main, through the actions of business, it was important to give representatives of the business sector a key role in taking forward the competitiveness agenda through the RDAs.

At least a number of safeguards have been built into these processes. The RDA Boards include members drawn from the public sector, mainly the local authorities in the region. The Regional Chambers include a variety of regional "stakeholders", including local authority, business, voluntary sector, academic and other interests. Designated chambers will have a statutory role in relation to the preparation of the RDA's strategy and consideration is now being given in most regions to how the RPG arrangements can be brought within the ambit of the Chambers. The Chambers will thus be able to play a role in brokering agreements between the RDA and the regional planning body.

The Government does not believe that it is necessary or sensible for there to be a hierarchical relationship between RPG and RDAs' strategies. The strategies will need to be complementary if they are to secure the management of change in a coherent and sustainable way. RPG will provide the long

term (15–20 years) planning framework for the development of the region. RDAs will need to work within and alongside this framework in preparing their shorter-term strategy. The RDA knows that proposals for physical development, *i.e.* inward-investment sites, new infrastructure etc, will be subject to approval in the planning system. The RPB knows that it will only achieve economic objectives for the region, regeneration, etc., with the support of the RDA. Although there may be differences of view, the Government believes that major inconsistencies will be reconciled through regional partnership.

The other major influence will be the requirement placed on both the RDA's strategy and RPG to foster sustainable development. If the RDAs, the Regional Planning Bodies and the Regional Chambers are all working to a common agenda to achieve sustainable development, and if, as we are already seeing in some regions, the bodies are undertaking joint sustainability appraisals of their strategies, there should not, I submit, be much room for disagreement about strategies and priorities.

Ultimately, of course, the Secretary of State will be able to resolve any conflicts as he issues Regional Planning Guidance and also has powers to influence the RDAs' strategy. But this really is a longstop and not something that we expect to happen.

Will the new RPG process work—in particular will we get regional ownership?

There are certainly some important issues which arise in relation to the new RPG process. Will a voluntary consensual approach ever deliver what is needed? Some have argued that it cannot as long as politicians are elected to represent local rather than regional interests. How far are local authorities willing to share power with others in the regional interest? How to ensure effective community participation and how to secure the full involvement of stakeholders?

The Government's clear objective is that the process for the preparation of both RPGs, and the RDA's strategy, should be inclusive. PPG 11 stresses the importance of an open process from the start with an initial public conference on the issues, to start the ball rolling. This needs to be carried through the process of drafting and refining options and into the new public examination itself. This is essential not least because much of the delivery of the transport strategy, for example, is dependent on non-local authority bodies.

It is vital that we get the message across that the business sector must involve itself in the RPG process as well as that of the RDA. That includes participating in the public examination, to ensure that the business needs of the region are fully reflected in the strategy.

The introduction of a public examination has been widely welcomed in the response to consultation on PPG 11 and, of course, we have already set this ball rolling by arranging for public examinations to be held into the revised RPG for East Anglia and the South East. The report of the Panel on East Anglia was published on July 5, that of the panel which held the South East examination will be published very shortly.

Some valuable lessons have been learned from these first examinations. Preparation is important, we need to allow slightly more time for pre-examination ground clearing of the issues and for panel briefing; we need to ensure that there is an appropriate balance of interests to participate in the discussions; the panel itself needs to focus on the key questions and to probe the issues by robust questioning of participants.

What will be the relationship between RPG and development plans?

One of the intended benefits of the new arrangements is that the process of plan preparation and adoption at structure and local plan levels will be less contentious. There would also be a more widely agreed framework for the consideration of major projects. This is an area of some controversy—there are those who argue that despite the new more inclusive process and the public examination, the housing figures cannot simply be “taken as read” at the Structure Plan level. RPG remains as “guidance” and the development plan is a statutory document, with requirements as to the consideration of objections. However, we do not want all the issues debated endlessly at different stages in the process and there needs to be “added value”. In effect, revised RPG should provide a more generally agreed policy background within which other parts of the planning system can operate.

Resources for regional planning are insufficient?

Particular concern has been expressed about the adequacy of the resources available to undertake the necessary work on RPG. Following the Comprehensive Spending Review the Department is providing some £0.9m a year for each of the three years from 1999/2000 to 2001–2002 inclusive, to support the research efforts of the Government Offices and the regional planning bodies—thereby improving the quality of RPG. The Department will be meeting the administrative costs of the RPG public examinations. New funding for additional staffing has been found to assist the Government Offices in constructively contributing to strategy development with these regional bodies. In addition five of the Government Offices have put in hand arrangements for seconding or otherwise funding staff to help the regional planning bodies.

As the regional planning bodies evolve, and as the Regional Chamber arrangements are put in place, the picture is changing. Local authorities are beginning to realise that they must take this activity seriously. There is evidence up and down the country of the commitment of manpower to the work of preparing regional strategies. In some regions a significant input is being provided by other regional stakeholders—not only does joint working help solve the resource issue, it will be a key to achieving agreement and ownership of the strategies produced.

Will there be real devolution?

How far is central government willing to go in letting the regions determine their own strategies? The framework of national planning policy will remain in place and will be improved. There are those who argue that we need more national strategy to inform RPG. We will have a national airports policy, a ports policy document, and there will be a national rail strategy. The forthcoming Urban and Rural White Papers will set out a wider framework of national policy in relation to economic, housing and other developments.

On the other hand it is quite clear that if the regions are not given a significant amount of freedom to determine their own futures, the policy will have failed. We will, no doubt, have to see what happens in practice. However, I anticipate that the Government will be prepared to let the regional bodies decide, within the parameters of national policy (*e.g.* on land recycling), how much housing to plan for, its location, whether to change green belt boundaries, whether to have new settlements, what the priorities are for transport investment, etc. Achieving the right balance between matters to be decided at the national, regional and local levels will not be achieved easily or overnight.

Looking to the future

A number of commentators have said that for regional planning to have any real impact it needs to be statutory. It is difficult to see how a statutory regional plan could be introduced in the absence of a statutory and democratically elected body to devise and implement it. If we do move to a statutory system of directly elected assemblies, then planning could be one of the functions undertaken. On the other hand there are considerable benefits, in the form of flexibility, in non-statutory arrangements—if they work.

There are also related questions as to the structure of both local government and the statutory development plan system that would be needed. Would we still need two tiers of statutory development plans (as exists in some areas) if we had statutory strategic regional planning? Let us see how the new proposals work before we consider such far-reaching changes.

Conclusions

In conclusion I want to stress:

- the importance of the changes being introduced at regional level. The Government will be looking to the RDAs to make a major impact on the issue of regional economic performance and competitiveness;
- RPG as a key part of the regional agenda. This is an opportunity to decentralise decision taking, integrate policy making and increase regional ownership of the planning process;
- RPG will now include a wider range of policies than in the past. This sets a challenging agenda. But it also underlines the importance of fully involving regional stakeholders and developing guidance which is consistent with the RDA's strategy. The Regional Chamber can play a role in this process;
- the process demands more collaborative working—between the Regional Planning Body, the Government Office, agencies such as the RDA, and other regional stakeholders. A good start has been made in most regions but much remains to be done;
- the opportunity now exists to put in place effective regional plans—but we do need to get the balance right between national, regional and local issues.

TABLE 1
REVIEWS OF REGIONAL PLANNING GUIDANCE (RPG)

Region	Draft RPG to SoS	Public examination into RPG	Target for issue of revised RPG
Eastern ¹ (RPG6)	Summer 1998	February 1999	End 1999
North East (RPG7 & RPG1)	Autumn 1999	Early 2000	Autumn 2000
East Midlands (RPG8)	Autumn 1999	Summer 2000	Winter 2000/Spring 2001
South East ² (RPG9)	December 1998	May 1999	End 1999

¹ The entry against Eastern Region is for RPG6 covering East Anglia. Bedfordshire, Essex and Hertfordshire are covered by the review of RPG for the greater South East region.

² The review of RPG9 covers London, the Government Office area for the South East and Bedfordshire, Essex and Hertfordshire.

South West (RPG10)	Summer 1999	Spring 2000	Autumn 2000
West Midlands (RPG11)	Review will start beginning 2000 with draft guidance summer of 2001	Autumn 2001	Summer 2002
Yorkshire and the Humber (RPG12)	Autumn 1999	Spring 2000	Winter 2000/2001
North West (RPG13)	End 1999	Autumn 2000 or early 2001	Spring 2001

If the Government's proposals for London are accepted instead of non-statutory Regional Planning Guidance there will be a statutory spatial development strategy for London. Hence there is no separate entry for London.