

# Rediscovering the Art of Strategic Planning

**Martin Tugwell**

Our expectation and our experience—both as professionals and as citizens—is that there is added value to be derived from planning for the future. And there is an understanding that there are some issues, the scale of which, in terms of geography and/or implications, requires an approach that extends beyond the local area: what is colloquially referred to as strategic planning.

It is important that our approach to strategic planning embraces not just land-use planning, but also infrastructure planning, as well as economic planning (including skills). A continuing concern for communities and their locally elected representatives is that the investment in infrastructure and services required to support planned growth is either not delivered in a timely manner or, in a worst case scenario, not at all, and so whilst we continue to give considerable attention to the making of land use plans and strategies, we need to give more attention to ensuring the mechanisms for delivering investment in infrastructure and services are aligned if we are to deliver a place-shaping agenda.

That we collectively and consistently come back to the need for some form of strategic planning at the sub-national level is a recognition by decision makers and professionals alike that in its absence there is a “gap” in our approach: a gap that compromises our ability to deliver a place-shaping agenda.

At a national level, despite the best intentions of successive governments (of all political colours) it remains difficult to “join up” strategic thinking within Whitehall and will always be so given the (understandable) need for individual departments to represent a particular set of sectoral interests.

At the same time the geography traditionally used for land-use planning—district/unitary authority level—is too small for effective strategic planning: a reflection that strategic infrastructure almost inevitably extends beyond the boundary of an individual authority, and the reality that for many people their lives (and that of their families) are increasingly complex in terms of where the services and opportunities they access are located relative to where their live.

There are very real consequences of this strategic planning gap. A lack of co-ordination of investment in the supporting infrastructure—transport, digital, utilities, and water management—can delay delivery of measures that address existing pressures on our infrastructure system. It also delays implementation of measures that enable delivery of planned growth. That in turn adds pressure on the housing market and restricts opportunities for commercial development. In both situations delays add what are otherwise avoidable costs into a system that already struggles to the delivery of required infrastructure.

It is therefore unsurprising that some 10 years after the demise of statutory regional spatial strategies we are seeing the merits of sub-national strategic planning being championed once again. In doing so we have the opportunity to address the weaknesses that existed with the previous era of regional spatial strategies.

The renewed interest in strategic planning comes from both the top down and bottom up. There has always been, and will continue to be, a need for the government to set the overarching policy framework. This provides the context within which local partners plan for the consequences of growth, which in turn provides the basis for identifying the investment necessary in order to enable businesses to have access to skills and markets, and individuals to have access to housing.

In addition, national government needs to provide leadership on issues that serve to act as potential existential threats to society. The shift in public attitude on the need to “do something” on plastic waste; the rise in the call for more positive action to address the implications for society of changes in our climate: these are two examples of where society looks to national government for leadership.

Meanwhile at the local level there always has, and will continue to be, a need for individual authorities to look beyond their boundaries as they develop proposals for their communities and businesses. However,

the duty to co-operate is not the same thing as a duty to agree and as a consequence our ability to secure consistent strategic planning across a wider geography is often compromised.

In autumn 2014 three senior politicians—the leaders of Oxfordshire, Buckinghamshire, and Northamptonshire County Councils—determined to provide collective leadership on issues of genuinely strategic significance.

In making their commitment the leaders set out their shared ambition: to realise the Heartland’s economic potential. Underpinning this was their understanding that economic success brings prosperity for residents and creates opportunities for individuals to realise their potential. A successful economy generates the wealth that enables civic leaders to invest in supporting the more vulnerable members of society; it’s key to an improved quality of life for all.

The leaders recognised that delivery of growth at the local level is often dependent upon investment in infrastructure and services that are controlled or regulated at either the sub-national or national level. They understood that speaking with one voice on strategic issues is fundamental to being able to shape those processes to the benefit of their local communities and businesses.

In establishing what became England’s Economic Heartland (“EEH”) the three leaders quickly found common cause with colleagues over a much wider geography—one that now stretches from Swindon through Oxfordshire and across to Cambridgeshire, and from Northamptonshire down to Hertfordshire.

The leaders across the region chose to invest significant political capital by making a commitment to work collaboratively at scale on issues of strategic importance. They understand that leadership at the sub-national level brings about clarity as to the region’s vision of the future. It enables them to work with others to provide greater certainty about the required investment in infrastructure and services necessary to support that vision. That in turn enables them to create greater confidence within their communities that growth will be supported by investment in infrastructure and services. It also enables them to create confidence within the business and commercial sector that their needs will be met when they are considering their investment options.

Effective collaboration requires time to establish being as it is dependent upon strong working relationships. It requires a forum that provides Political leaders with the space to come together and develop those relationships. For the Heartland that is one of the key roles of the EEH Leaders’ Group. The importance of strategic planning having a strong business perspective led to an early decision by the leaders to invite the Local Enterprise Partnerships to be an integral part of England’s Economic Heartland. It is on this basis that the Chairs of the Local Economic Partnerships (“LEPs”) are also members of the EEH Leaders’ Group.

Too often when considering the performance of the planning system the debate focuses on issues of governance. Whilst good governance is essential to sustain a collaborative partnership for the long term, when considering issues of governance it is important that form follows function. With that in mind the governance framework for England’s Economic Heartland has evolved over the last five years and continues to evolve in response to identified needs.

The EEH Leaders’ Group first met in 2014. It is the forum in which the leaders are able to identify the issues that need to be addressed at the sub-national level, consider how best to explore those issues and be accountable for driving forward the work at pace so as to enable solutions to be identified and then delivered.

A key factor in how England’s Economic Heartland was able to gain momentum quickly was the decision to invest in establishing a core programme team; one dedicated to work on the leaders’ collective behalf across the region.

The demise of the Regional Assemblies resulted in a loss of strategic planning capability. At the same time there is little by way of spare capacity within local authorities to be able to support the need to develop, manage and deliver at pace a programme of technical work at the sub-national level. Establishing the core

programme team was the leaders' response to the need to plug this gap. A number of the sub-national initiatives across England are drawing on legacy skills from the era of Regional Assemblies and Regional Development Agencies, as is the case with England's Economic Heartland.

The geography of England's Economic Heartland does not align with that of the former "Government regions": it embraces elements of four former regions—South West, South East, East Midlands, and East of England.

Whilst the former Government regions served a purpose with the benefit of hindsight it is clear that they were not necessarily the most appropriate geographies on which to undertake strategic planning. Indeed, this weakness led to the creation of cross regional working arrangements such as the Milton Keynes South Midlands initiative, which involved three of the Government regions.

For many years the global brands of Oxford and Cambridge have, together with London, been used to describe a "golden triangle": one that is at the heart of the UK's international reputation for world-leading science and technology-based innovation.

There are other examples of how the Heartland geography is more appropriate for strategic planning purposes, most notably East West Rail, a project whose origins can be traced back to the late 1990's.

Championed and promoted by the East West Rail Consortium, restoration of this rail link will fundamentally change the spatial geography. What is currently a lengthy journey via London requiring multiple interchanges will be replaced by a direct service that will take a third of the time. Such a change in connectivity will be transformational, not just in terms of the new travel opportunities it creates but also in terms of the impact it will have on the spatial and economic geography.

In this way England's Economic Heartland geography provides a more appropriate basis on which to undertake strategic planning and ensure in the process that the sum is bigger than the parts.

The establishment of the England's Economic Heartland predated the work of the National Infrastructure Commission (the Commission) by some three years. And the Commission's work in many ways served to validate the leaders' initiative.

The Commission identified the scale of the region's potential as being to double if not treble the size of its economy and advocated that realising its potential should be a national priority. The Commission warned that the continued economic success of the region could not be taken for granted and was dependent upon a step change in investment in infrastructure and services.

It supported the leaders' view that improved connectivity is fundamental to realising the region's potential. It highlighted the role of transformational infrastructure—such as East West Rail—in providing the step change in connectivity required to support improved productivity for existing businesses, as well as enabling economic growth. At the same time the Commission identified that importance of delivering growth in ways that lead to a net environmental benefit—in urban and rural areas, and to the natural and built environment.

And in its final report the Commission highlighted the importance of strategic leadership if the potential of the region is to be realised. It commended England's Economic Heartland for the leadership it was providing and for the momentum that its approach to collaborative working had achieved.

Fundamentally the vision mapped out by the Commission reinforced that of England's Economic Heartland. In so doing it served to emphasise that realising the potential of the region in a way that is sustainable for the longer term cannot be achieved through a "business as usual" approach.

It is exactly this philosophy that underpins the work of England's Economic Heartland. Its leaders understood right from the outset that a new approach to strategic planning is required. One that looks across a range of policy areas—including strategic transport, digital infrastructure, utilities—and aligns the planning, development and implementation of investment in these networks to a shared ambition. The rise of e-commerce and continued growth in user centred services—enabled by investment in digital

infrastructure—reinforces the need to understand how the nature of future demand for infrastructure and services continues to change: further emphasising that this is not “business as usual”.

The Heartland has already begun that journey with its work to develop the overarching transport strategy for the region, work on which is overseen by the Strategic Transport Forum (the Sub-national Transport Body for the Heartland). Publication of the Outline Transport Strategy in July this year marked the start of a period of wider engagement as part of that process.

With its vision of “connecting people and places with opportunities and services” supported by an ambition to achieve a zero-carbon transport system by 2050, the Outline Transport Strategy starts to set out a new paradigm for the transport system. It uses the framework provided by the Government’s Industrial Strategy (and in particular the four Grand Challenges) as a catalyst that begins the shift towards that new paradigm.

The Heartland’s work on its transport strategy is being facilitated by a new suite of tools that together form the regional evidence base, including a region-wider database that captures the base-line of planned growth, and the development of an agent-based policy scenario model. The latter’s “back casting” capability will enable the leaders to identify the measures necessary to achieve a strategic policy objective over a particular timeframe.

Complementing the regional evidence base is work underway to develop a suite of personas that will enable individual responses to policy drivers to be assessed, and the use of scenario planning techniques in the development of alternative feasible scenarios.

With work on the overarching Transport Strategy underway so the Heartland’s work programme has broadened out to begin work on wider strategic infrastructure. The importance of a sub-national approach here was highlighted by the National Infrastructure Commission who advocated the need for a wider strategic infrastructure plan to cover transport, digital, utilities and strategic flood management infrastructure. In taking this agenda forward the key issues for the leaders were that:

- Infrastructure owners/service providers need to give greater priority to investing in new capacity and services that enable growth.
- Investment in wider strategic infrastructure needs to be aligned to a common objective if the economic potential of the region is to be realised.
- Delivery of wider strategic infrastructure and services needs to be accelerated, in particular where that investment is required to enable growth.

It is in this context that England’s Economic Heartland continues to advocate the merits of a geographically specific National Policy Statement given that it would:

- Establish the “need” for investment in strategic infrastructure and services at the earliest possible opportunity.
- Be a clear statement of intent on the part of the Government as to its long-term commitment to ensuring the potential of the region is realised through timely investment in infrastructure.
- As a statutory document, provide the basis for the Government to instruct economic regulators to ensure that the investment plans of regulated utilities and services plan for and deliver enabling infrastructure.
- Enable delivery of nationally significant infrastructure projects to be accelerated (through the Development Consent Order regime).

In this way a geographically specific National Policy Statement would address one of the key weaknesses associated with previous approaches to strategic planning. It would significantly strengthen the business case for investment—by both public and private sectors. And by providing a long-term statement of intent

it will increase confidence amongst investors to say yes. Crucially the approach is capable of being implemented quickly, utilising as it does existing legislation.

Complementing the proposal for a geographically specific National Policy Statement is the work underway to develop a long-term investment strategy for the region. This will address another of the key weaknesses associated with previous strategic planning approaches. The investment strategy will speak to investors in both the public and private sectors and will be the mechanism by which investment in strategic infrastructure can be effectively aligned to deliver strategic outcomes.

As these elements of the Heartland's work programme progress so its governance framework will continue to evolve. The leaders are already committed to seeking the approval of Government to place the region's Sub-national Transport Body on a statutory basis. However, the added value of establishing a Sub-national Infrastructure Body (that would incorporate the functions of the Sub-national Transport Body) is now being explored.

The first five years of England's Economic Heartland is a powerful demonstration of how a Political commitment to work collaboratively on issues of genuine strategic importance can enable progress to be made in addressing barriers to the delivery of planned growth. And it demonstrates how it is possible to address the key weaknesses associated with previous incarnations of strategic planning.

Notwithstanding the progress made so far there remain a number of aspects of strategic planning where there is a need for further work:

- More needs to be done to strengthen the linkage with economic development planning, notwithstanding the development of Local Industrial Strategies. The key issue here is the need to set opportunities for economic growth into a spatial context—both in terms of access to labour and access to markets. There is a need to better understand how investment in infrastructure and services can help improve productivity as part of that consideration. The significance of this in terms of current economic activity and the implications for future growth scenarios are both factors that need to be better reflected in identifying future investment needs.
- There is a need to review whether the current emphasis on the land use planning system—with its focus on new housing requirements—means that opportunities for effective place-making are being compromised. Using the new approach to strategic planning to align investment in enabling strategic infrastructure will make a positive contribution to the place-making agenda. However there remains a need to identify the most appropriate mechanism for translating national strategic priorities—for example future levels of housing—to the local level in a way that respects the role of local planning authorities.
- Notwithstanding the progress being made in developing a new approach to strategic planning there is a need to review as to how best to use public sector investment as a catalyst for change. A key consideration underpinning the Heartland's approach to strategic planning is the recognition that a significant proportion of the investment in infrastructure and services will be made by the private sector. The long-term investment strategy, supported by the geographically specific National Policy Statement, will help create confidence amongst institutional investors. Greater flexibility with public sector investment may be required if the region is to maximise the opportunities to support planned growth. In particular there may be a case for arguing for devolution of funding from government to a statutory Sub-national Infrastructure Body.

In the course of its first five years England's Economic Heartland has shown:

- There is added value from collaborative working at scale on issues that are of genuinely strategic importance: in particular it enables democratically elected leaders to provide leadership on behalf of their communities and businesses.
- There is an urgent need to improve the co-ordination of investment in strategic infrastructure—transport, digital, utilities, and water management—recognising that the growth in e-commerce and user focused services means the nature and scale of demand for strategic infrastructure continues to evolve.
- The importance of harnessing opportunities within the current legislative framework to accelerate the delivery of enabling infrastructure and services in order to give confidence to communities that the consequences of growth will be mitigated, and to businesses that their needs will also be met.
- The ambition to enable economic growth in a way that has a net environmental benefit requires a new approach to strategic planning—“business as usual” will not achieve the required change at the pace required.
- Making progress with the strategic planning agenda requires investment in developing a dedicated capacity and capability at the regional level that complements the skills available at the local level.

The original initiative of the region’s Political leaders reflected their personal commitment to provide strategic leadership on behalf of their communities and businesses. Their commitment to work collaboratively to deliver a common ambition for the region has built a foundation at the regional level on which to build for the long term.

Their focus on identifying solutions that are deliverable within the existing legislative framework is essential to enabling the potential of the region to be realised, and doing so in a way that earns the confidence of local communities and businesses that the implications of growth will be addressed.

Their investment in establishing a dedicated executive capacity at the regional level has provided them with the ability to lead a discussion on the future shape of the region’s infrastructure system, and to do so at pace.

Our approach to strategic planning needs to be fit for purpose if it is to be sustainable in the long term. Through their commitment to work collaboratively on strategic issues the leaders have established an approach that enables them to pursue an ambitious agenda for their region and to do so in a way that is sustainable in the long term.