

29 October 2002.

**Regional Planning Panel
16th October 2002**

**RPG Policy Process
Achieving submission of Draft RPG14 by mid-2003**

Report by Chair of Regional Technical Advisors Group

Purpose of Report

To inform RPP of the approach to be adopted to achieve submission of RPG14 by mid-2003, in accordance with project plan and PPG11 requirement.

Recommendations

RPP is recommended to:

- i. Note the proposed approach to formulating RPG14 policy
- ii. Approve the establishment of Strategic Co-ordination Groups for the key sub-regional study areas, as detailed in para. 4.2.

1 Background

1.1 The RPG Options Consultation Document has now been published, and we remain on target against the overall project programme. The critical challenges now will be to:

- i Assimilate the results of the consultation into the draft RPG;
- ii Ensure that we can finalise the spatial strategy, and set key elements of it, i.e. distribution of housing and employment provision;
- iii Establish inclusive and effective mechanisms for resolving sub-regional issues in the RPG; while
- iv Ensuring that we achieve submission of the draft RPG by mid-2003.

2 State of Play

2.1 The Officer Task Groups performed extremely well during the Spring/Summer, and RTAG remains confident that we can draft the core policy base of the RPG in the time available.

2.2 The spatial strategy needs to be distilled from four scenarios to a single strategy. Achieving this end will entail agreeing:

- i The overall spatial strategy;

- ii The distribution of housing and employment provision within the spatial strategy;
- iii The treatment of sub-regions or sub-areas;
- iv The strategic elements of regional transport strategy.

2.3 Several factors affect this process.

- i We are under pressure from the Government following the DPM's statements in July;
- ii GO-East has convened meetings of key LA players in the two key sub-regional areas (Milton Keynes/South Midlands and London-Stansted-Cambridge), and similar pressure is bearing on the Thames Gateway groups. The focus of these meetings has been to investigate barriers to quick release of housing land, and press the RPB and LAs to make early commitments to such housing releases;
- iii GO-South East and GO-East Midlands have similarly opened discussions with SEERA and EMRLGA.

2.4 The key messages back to Government have been that:

- i The main barriers to delivery are the infrastructure deficit and associated need for major investment and new delivery vehicles to co-ordinate it, including the difficulties facing the development industry in delivering higher levels of growth;
- ii Housing specific factors such as affordable housing finance and market forces;
- iii The need to retain a focus on co-ordinated development of employment and social infrastructure with housing, and not to focus on housing alone; and
- iv The need to ensure proper consultation and sustain the democratic process in the aftermath of the DPM's statements.

2.5 We also need to be cautious about the risk that heavy investment in high growth areas could draw resources (e.g. infrastructure investment) away from other parts of the region.

2.6 EEDA's response to the Bone Wells study and EERA's request that the economic growth targets be reviewed will not be known until late October at the earliest. This may have some bearing on both the RPG's spatial strategy and the way forward on the potential growth areas.

2.7 The SERAS consultation does not fit the process. While we will submit EELGC's views to the Government by late November, it is not certain when the Government's proposals for aviation will be available. It is unlikely that we will see the White Paper before RPG14 is finalised circa March/April 2003. RPG14 will, therefore, have to rest either on a degree of second-guessing, or on the region's opening bid for an acceptable package. It will need to be sufficiently flexible to encompass a range of outcomes, or accept the possible need for early review when the Government's proposals on aviation are finalised. The

only alternative is to delay publication until the White Paper is available, but this is unlikely to be acceptable to the Government.

2.8 The main implications are:

- i The Government has sent a clear message that the region must deliver on RPG strategy and policy, in terms of housing numbers and distribution. (The parallel working on Structure/Unitary Plans adopted by so many EoE authorities will be helpful – vital – in meeting this challenge.);
- ii The need to ensure that the Government's present approach – tending to treat the potential major growth areas in isolation – is properly co-ordinated in our overall approach to sub-regions and spatial strategy;
- iii The need to agree key issues with neighbouring regions;
- iv The need to establish effective implementation mechanisms, reflecting inter-regional relationships;
- v The need to agree workable positions on RES targets and airports policy.

3 Approach to strategy formulation

3.1 The approach to be followed to finalise the strategy involves a combination of bottom-up and top-down work, and must also be carefully co-ordinated with assessment of public comments on the RPG Options Consultation.

3.2 Assimilation of Public Comments

3.3 The programme for RPG preparation, as laid down in PPG11, is so tight that unless we adopt a degree of parallel working, it will be impossible to keep the project on time. At the same time, it would be wrong to proceed too rapidly with RPG policy preparation until we have assessed the public comments on RPG options. However, a clean division will be impossible. Government expectations – such as the Byers letter requiring us to respond to multi-modal studies within three months of publication – will force us to make some decisions ahead of this stage. The guiding principles to steer through this process will be that:

- i Where we have no alternative, decisions on key RPG/RTS elements will have to be made in accordance with Government requirements and existing RPG policy, as far as is possible;
- ii Preliminary work on RPG policy should be progressed as quickly as possible in parallel with public consultation, but should have no status other than as draft policy/work in progress until the results of public consultation are known;
- iii Public comments will be assessed as quickly as possible over the December/January period;
- iv Draft RPG14 policies will then be reconsidered in the light of public comments, and finalised via intensive processes in the period January to March/April 2003;
- v To achieve this, additional RPP meetings will be needed in late February/early March, and in June (in addition to those scheduled for January and April).

3.4 Task Groups

3.5 The RPG Task Groups are to continue working, focusing on five key matters:

- i Developing their recommended policies for inclusion in RPG;
- ii Co-operating to draft the RPG14 text in an iterative process linked to the public consultation process and spatial strategy preparation, giving particular attention to integration across themes;
- iii Analysis of public comments on RPG Options. This is a particularly critical task, which will need to be completed by mid-/late January at the latest, to avoid programme slippage;
- iv Finalisation of policies and text; and
- v Establishing targets and indicators for RPG14 performance monitoring.

3.6 Some groups will have particular objectives, e.g. the Spatial Strategy Task Group will need to propose an overall spatial strategy, housing provision proposals, and economic growth targets, in order to guide all other stages of the process. This will be an iterative process, having regard to the work of key task groups (particularly Housing and Economy), the outcome of public consultation on RPG Options, and sub-regional discussions. The Housing group will need to steer the Affordable Housing research, Economy group will need to resolve the RPG14's stance on the RES growth target, etc.

3.7 Sub-Regional dimensions

3.8 Resolution of sub-regional dimensions focuses mainly on:

- i Milton Keynes/South Midlands;
- ii London-Stansted-Cambridge; and
- iii Thames Gateway.

3.9 Milton Keynes/South Midlands and London-Stansted-Cambridge

3.10 The **London-Stansted-Cambridge** study was presented to RPP in July. The RPG14 Options Consultation Document reflects its conclusions, and invites public comments upon the four alternative scenarios, to inform RPG14 preparation.

3.11 The **Milton Keynes-South Midlands** study (MK/SM) was completed on 18th September, with a launch event at Northampton. The RPG14 Options Consultation Document similarly reflects the four scenarios considered in the study, i.e.:

- i Continuation of the present RPG9 spatial pattern and rate of growth;
- ii An Urban Concentration approach, focusing development upon the four key centres – Milton Keynes, Northampton, Luton/Dunstable, and Bedford – to maximise urban renaissance and opportunities for introduction of public mass transit systems;

- iii A Transport Corridors approach, focussing development upon the Midland Mainline and proposed East-West rail corridors, with development focused on several key centres – Milton Keynes, Luton/Dunstable, Bedford, Wellingborough, and Kettering/Corby – to maximise sustainable public transport opportunities; and
- iv A Double Metropolitan approach, concentrating most development upon Milton Keynes and Northampton.

3.12 After the RPG Options Consultation was drafted, the study made further progress, and offered a Preferred Strategy, combining the most effective features of the Urban Concentration and Corridors approaches. In this approach, development would be focused upon Milton Keynes, Northampton, Luton/Dunstable, Bedford, and Corby, with additional emphasis also on Wellingborough and Kettering. This would address both growth potential and regeneration needs, while still focusing on sustainable transport corridors and enabling opportunities for public mass transit systems. Publicity material produced for the MK/SM study is being used to ensure that people are aware of this change when commenting on the RPG14 consultation.

3.13 **Deputy Prime Minister's July Statements.** Two days after the last RPP meeting, on 18th July, the Deputy Prime Minister made a statement to the House of Commons outlining his approach to housing needs in the South-east and East of England. The full statement can be accessed at:

<http://www.odpm.gov.uk/about/ministers/speeches/prescott/180702.htm>

3.14 The statement paved the way for a number of measures, but of particular significance to the East of England are the statements that:

- i The rate of housing development in the wider south-east needs to be increased to meet housing needs – several references were made to the need for a 'step change';
- ii The four potential growth areas (Thames Gateway; Milton Keynes/South Midlands; London-Stansted-Cambridge; and Ashford [Kent]) should make early contributions; and
- iii The Government is expecting up to 200,000 additional dwellings to be provided in the potential growth areas.

3.15 Subsequent letters from Lord Rooker indicated that he wished to meet with the RPBs to establish the scope for making rapid progress in each of the areas.

3.16 The first such meeting, on the Milton Keynes/South Midlands area, was held on 10th October. A verbal report will be given at RPP. The equivalent meeting for London-Stansted-Cambridge had not been fixed at the time of writing, though an Officer-level meeting took place on 24th September.

3.17 Following the Deputy Prime Minister's July statements, the Government wants each RPB, by December, to give a commitment to implementation of a growth strategy for each sub-regional area. Although it is debatable how far we can meet this demand without pre-judging the outcome of public consultation on

RPG Options, we are well-placed to give a clear direction. The preparation of draft RPG14, containing suitable sub-regional proposals for the growth areas and other sub-regional policy areas, will enable us to give the Government a clear statement of our approach. Most critically, it will afford opportunities for public objection and ensure that the proposals are investigated at the RPG Public Examination. This will provide a democratic process apparently lacking in the Deputy Prime Minister's statement.

3.18 The need to respond to the Government on these issues is to be harnessed to RPG needs. Under the auspices of the Spatial Strategy task group, the GO-East initiated meetings will be continued, to seek consensus on a spatial strategy for each growth area, agree the broad terms of housing and employment provision and distribution, and consider how to produce guidance for structure/unitary plans.

3.19 We also need to work closely with neighbouring RPBs, to agree the spatial strategy across regional boundaries. Preliminary discussions have already taken place. Annex A outlines the position on the two sub-regions.

3.20 It will be essential to deliver co-operative working across LAs if these processes are to succeed. It will be vital for all agencies to make a commitment to spatial strategy for the sub-regional areas, perhaps by forming sub-regional partnerships to take the strategy forward into development plans, as per the Cambridge Sub-Region experience.

3.21 **Thames Gateway**

3.22 The Government is similarly expecting the Thames Gateway to make a significant contribution to meeting growth needs within the core objectives of regenerating the area. The Strategic Authorities and the Thames Gateway South Essex Partnership are already engaged on this process.

3.23 Given the Thames Gateway's priority for economic regeneration, the caveats noted earlier (para 2.4) are even more important here, as housing-led growth would exacerbate the existing imbalance of employment and population. The message back to Government has to be that a balanced solution, addressing the Gateway's regeneration needs, is essential.

3.24 There are two needs here:

- i to harness this process to RPG14's policy needs; and
- ii assist the Thames Gateway's regeneration and planning, by according it statutory backing from the RPG consultation and Public Examination processes as is currently the case in respect of Thames Gateway priorities in the core strategy of RPG9 approved by the Government in March 2001.

3.25 We intend to ask the Strategic Authorities and Thames Gateway South Essex Partnership to provide policy inputs into RPG14. This will facilitate both policy formulation and closer integration between RPG and TG processes.

3.26 Other sub-regional policy areas

3.27 The RPG14 Options Consultation suggests a number of other sub-regional policy areas that may be helpful to future guidance. These will also be progressed under the auspices of the Spatial Strategy Task Group, to involve LAs and stakeholders in agreeing the definition of sub-regional areas, their needs, and to frame RPG guidance for development plans. It is envisaged that the outputs of this will be indications of the broad needs of such sub-regional policy areas, giving additional interpretation of priorities for the future, distribution of housing and employment needs across regional and LA boundaries, etc. It is highly unlikely that the sub-regions will merit the preparation of formal sub-regional strategies (as per Thames Gateway and the present RPG9a). Government advice is that these should be the exception rather than the rule. Such strategies would also now have to be subject to full PPG11 procedures, i.e. to go through public consultation and public examination. This would add unnecessary delay to the RPG/planning process, and RPG14's own processes offer the means to avoid it.

3.28 Other RPG inputs

3.29 A number of issues need to be resolved within the RPG14 process. Examples include the accommodation between RPG14 and the RES, and planning for ports and gateways, as highlighted by the SEAPLAG report 'Seaports' published late in July. Annexes B and C, attached for information, outline issues arising from these reports that impact upon RPG14.

4 RPP Approval and Guidance

- 4.1 We will bring regular reports to RPP to ensure that emerging policies and approaches are acceptable.
- 4.2 We also propose that for the key sub-regional study areas – London-Stansed-Cambridge and Milton Keynes-South Midlands – 'Strategic Co-ordination Groups' should be formed to steer emerging policy. These should comprise officer-level groups to drive the technical work, and Member/stakeholder groups to oversee and approve reports to RPP.
- 4.3 RPP will receive regular reports from these groups and will be asked to approve emerging components of strategy. This will require additional RPP meetings, to ensure rapid progress and avoid overloading agendas.

5 Recommendations

- 5.1 RPP is recommended to:
- i Note the proposed approach to formulating RPG14 policy;
 - ii Approve the establishment of Strategic Co-ordination Groups for the key sub-regional study areas, as detailed in para. 4.2 above.

Policy resolution in the potential growth areas

A Milton Keynes and South Midlands sub-region

- A.1 The study was completed on 18th September last. The Steering Group has agreed to continue working to consider RPB responses to its recommendations. It may form the basis of a mechanism for investigating policy and implementation issues.
- A.2 Preliminary discussions show that for the MK/SM study, the three RPBs are in different positions:
- i East Midlands (EMRLGA) have up to date RPG (RPG8) running to 2021. They have commenced a partial review to bring the RPG into line with PPG11 and other recent guidance. EMRLGA anticipate submitting their RPG review by April 2003, with public examination possibly in Autumn 2003. They are not planning to review housing figures, principally because their present figures are based on 1996-based projections to 2021, and they consider that they could not review housing figures further into the future ahead of 2001 Census results and new household projections;
 - ii South-east (SEERA) do not propose to commence review of RPG9 until late 2003 at the earliest. In the meantime they are undertaking mini-reviews where needed to deal with specific issues;
 - iii This leaves EELGC as the only RPB presently reviewing RPG and proposing to extend housing provision, albeit we are essentially aiming to achieve the same end as EMRLGA, i.e. to get to 2021 based on the current household projections. Our timetable is running slightly behind ERMLGA's, with public examination expected early in 2004.
 - iv We have started to explore with the other two RPBs how we can devise a mechanism to deal with the need to respond to the study and to Government while fitting with the different level of RPG review progress in each region.
- A.3 A mechanism is needed to get the process moving and Strategic Co-ordination Groups have been suggested as a means of achieving this. This would enable EELGC, LAs, and stakeholders to form a sufficiently strong partnership to demonstrate commitment to implementing the strategy. This could lead to regional and inter-regional agreement of spatial strategy and broad growth proposals, and enable co-ordinated policy delivery via either a single public examination or a means of ensuring policy commitment across the regional boundary.
- A.4 The mechanism will also need to reconcile the different time horizons for the three RPGs.

B London-Stansted-Cambridge sub-region

- B.1 The study was completed in July, and the Steering Group has agreed to continuing working to prepare a response to Lord Rooker on the July statements. As with MKSM, it might be helpful for the Steering Group also to form the basis of a mechanism for investigating policy and implementation issues.
- B.2 The RPBs are similarly at different stages. The GLA has published the draft London Plan, on which consultation closed on 18th September. The Mayor has agreed that EELGC (and SEERA) may both have until mid-October to submit comments, to fit with our committee timescales. The EIP into the London Plan will be held early in 2003, and the Plan adopted late in 2003. It is, therefore, about a year ahead of RPG14. However, the London Plan runs only to 2016.
- B.3 We need to open discussions with GLA to explore how far the study's results have already been incorporated into the London Plan, or what is now needed to achieve it. Given that the London Plan runs only to 2016, RPG14 is once again effectively in the lead in terms of setting housing and economic growth provisions to 2021, so similar considerations arise as for MKSM.
- B.4 We suggest that the overall process could be as outlined for MKSM at paragraph A.3.
- B.5 Again, in view of the state of play with RPG/Mayor's SDS, agreement would be needed on a means of reconciling the different time horizons for RPG14 and the London Plan.

**Regional Technical Advisors Group
24th September 2002**

EEDA REGIONAL ECONOMIC STRATEGY SUB-REGIONAL STUDIES

Report by Regional Research and Monitoring Group

<p>Purpose of Report: to report progress on the EEDA Regional Economic Strategy Sub-Regional Studies and issues arising for preparation of Regional Planning Guidance.</p>

RECOMMENDED:

That the RPG Topic Task Groups consider the implications of, and issues raised by, the EEDA Regional Economic Strategy Sub-Regional Studies for preparation of RPG14.

Introduction

1.1 A refreshed Regional Economic Strategy (RES) was published in June 2001. The headline goal for the RES is to place the East of England among the top 20 European regions ranked by gross value added (GVA) per head of the resident population by 2010.

1.2 Arising from the debate stimulated by production of the RES a study was commissioned by EEDA, EERA and the strategic planning authorities (with Go-East in an advisory role) in order to gain a better understanding of the spatial implications of the Regional Economic Strategy. The study has been conducted in two stages by Bone Wells Associates, Business Strategies Ltd and Colin Buchanan & Partners. Stage One of the study deals essentially with the economic projections and economic policies, but with a brief examination of their land use and transport implications. Stage Two focuses on the latter, including how they might be accommodated in the drafting of RPG14.

1.3 A series of regional and sub-regional workshops were held to present ongoing findings during the study. Part One of the study has been completed (190 pages plus appendices) and is available on the Regional Observatory website. The Final Report for Stage Two of the study is undergoing final editing prior to discussion at the Study Project Board on 26th September 2002.

1.4 The Officer Working Group for the study considered the Draft Stage Two report at a meeting on 4th September 2002. Although a number of concerns were expressed, members of the Group were satisfied that the study had fulfilled its remit. The aim of the Project Board meeting on 26th September is seen to be:

- i) to sign off the study, and,
- ii) to discuss next steps and how the findings of the study should be taken forward.

Background

2.1 The headline goal for the RES is to place the East of England among the top 20 European regions ranked by gross value added (GVA) per head of the resident population by 2010. The study estimates that the region was ranked 30th in 2001, although there is a close bunching of regions so that small changes in real growth rates make a large difference to ranking.

2.2 There are two key factors to bear in mind in use of this headline indicator:

- By measuring economic output of the region against the resident population it does not include the economic contribution of those who commute out of the region to work, which has a significant impact in parts of the region.
- Work during the study showed that the European rankings can be altered by statistical recalibration of the factors used to obtain international comparisons of the indicator, irrespective of the success or otherwise of policy initiatives and actions.

2.3 The study developed two economic scenarios to 2021 to explore the consequences of meeting the RES headline goal:

- Business as Usual, reflecting current national trends and policies and assuming that relative local performance would be as effective as in the recent past;
- Enhanced Growth reflecting the economic performance required to achieve the RES growth rate.

2.4 It is important to note the fact, that the “Business as Usual Scenario” illustrated and assessed within the Study does not reflect a baseline scenario which demonstrate what would happen if the current trends and the status quo policies and programmes were to continue. As the Study report it self clearly states, what is considered as Business as usual scenario is a state of affairs, which require significant additional effort. Assessing the Enhanced Growth Scenario against a baseline which reflect the current trends as opposed to the RES-study version of the “BAU scenario” would have presented the additional effort needed to achieve, and the additional impact of achieving Enhanced Growth as more significant than it is identified within the present study.

2.5 The two scenarios are intended to stimulate and inform debate and provide a starting point for exploration of other scenarios. Specifically, they are NOT intended to be forecasts of what will happen, what ought to happen, what should happen or where it should happen. Neither are they a spatial strategy for the region nor do they reflect possible new policies to steer growth to particular areas.

3 Key Findings for the Region, with Comment

A. Scale of Growth and European Ranking

3.1 The Business as Usual scenario would generate an annual growth rate in GVA of 3.1% for 2001-2010 and 3.2% for 2010-2021, resulting in 87,600 additional

jobs to 2010 and a further 109,300 jobs to 2021. European regional ranking would rise from 30th at 2001 to 25th at 2010 to 23rd at 2021.

3.2 The Enhanced Growth scenario would need to generate an annual growth rate in GVA of 4.1% for 2001-2010 to achieve the RES headline goal. This would result in 230,600 additional jobs by 2010. Due to the dynamic created, reversion to growth at the same rate as Business as Usual between 2010 and 2021 would create a further 122,200 jobs and cause the ranking to rise further - to 12th at 2021.

3.3 Despite the Business as Usual scenario having annual growth of over 3% the RES headline goal would not be met, even by 2021. By definition, the Enhanced Growth scenario would achieve the RES goal but with a historically high growth rate of over 4.1% for the period up to 2010. Further, if on achieving that goal growth were then damped back down to the Business as Usual rate the internal dynamic would cause a continued rise through the rankings.

B. Achievement of the Scale of Growth

3.4 The RES assumed that the increase in GVA growth rate necessary to achieve its headline goal could be met principally by productivity improvements. The study has concluded that it will not be possible to generate the necessary increase of 1% pa to achieve the RES growth rate through productivity increases alone. Indeed, the study concludes that a further productivity increase of 0.25% above that included in the Business as Usual scenario would be the maximum that could be achieved – and even that is ambitious.

3.5 The Enhanced Growth (RES) scenario could only be achieved through enhanced investment and job growth, beyond current trends, in the region to 2010. This requires improvement in three key performance indicators – labour productivity, activity rates and commuter clawback. Essentially, improvement in each of these three indicators would increase the economic contribution of the resident population of the region to be made within the region.

3.6 The degree of improvement in labour productivity and activity rates will partly depend on the availability of appropriate skills training and job opportunities, especially in areas which are currently economically less advantaged. Theoretically the required increase in activity rates would be possible, given current experience elsewhere, but will be more likely in areas of job growth.

3.7 Success in achieving commuter clawback will depend on the balance of competing economic opportunity with adjoining parts of neighbouring regions. In this respect a key factor is the continuing role and influence of the London jobs market on the south of the region, especially in the context of the policies and proposals contained in the Spatial Development Strategy for London.

3.8 If the enhanced economic growth rates were to proceed without improvement in these indicators then additional workers would need to be attracted to the region through migration. This would trigger a new chain of actions, which would be necessary to mitigate the reduction in the per capita GDP growth rate resulting from the increased size of the resident population.

C. Productivity Improvements

3.9 Policies to encourage inward investment and greater exports would have to bear a considerable burden in increasing the economic performance of the region. Both sets of measures would need to be underpinned by improvements in productivity. However, the study indicates that in none of these areas is the relationship between policy effort and outcome readily identifiable.

3.10 The study concludes that productivity would need to be improved over a wider number of sectors than currently identified for intervention in EEDA's nine Key Sectors. In particular support would be needed for:

- the fundamental research base of local institutions;
- companies through capital investment and workforce development (including, for 'start-up' firms access to and movement through innovation and incubator centres and science parks);
- inward investment and exports;
- skills and training.

3.11 The following spatial considerations are identified by the study as affecting productivity:

- larger urban settlements afford greater scope for productivity growth;
- role of transport, although company networks depend more on their internal dynamism than access costs;
- international transport facilities need to complement international opportunities;
- timescales for new infrastructure mean that more effort should be directed to making better use of existing networks.

D. Land Use Requirements

3.12 Conversion of the economic forecasts to employment land requirements (B1 to B8) leads the study to suggest that there is an adequate supply of employment land provision in the region in quantitative terms, apart from most of Hertfordshire, west Essex and the cities of Cambridge and Norwich. However, this calculation does not include future requirements for existing business/sites, or take account of site quality or the locational requirements of future businesses.

3.13 The difference between the scenarios in land demands for other uses was assessed by the study as being minimal. This is because most demands are related to population and the populations are identical between the scenarios. However, the study notes that there could be an increase in space demands, arising from the greater wealth created by achieving the Enhanced Growth scenario.

3.14 The population projections used for the study are above those used in preparation of current RPG6 and RPG9. The study projections imply an additional housing provision for the region to 2016 of 98,000 above current RPG levels. The difference is concentrated in Essex (32,800) and Hertfordshire (30,700) with Bedfordshire (13,500), Norfolk (10,600), Suffolk (9,300) and Cambridgeshire (2,200).

3.15 The above assessments of land use requirements are derived from the use of trend based projections. The eventual impacts of these requirements, particularly in terms of distribution through the region will be influenced by the spatial development strategy which emerges through RPG14.

3.16 It is also important to note, that treating the population under both the BAU and EG as identical, is simply a result of a working assumption used by the Study. The Study report, however, accepts that in reality the population may not stay the same under the two scenarios. As we are fully aware, economic conditions do affect migration and household formation. The analyses of sensitivity of the 1996-based official household projections to changes in economic conditions states that a 0.25 increase in the GDP per head per year may increase the projected number of households in England in 2021 by about 190,000. This amounts to 5% of the projected household increase between 1996 and 2021 (DTLR report projections of Households in England 2021). Therefore, note should be taken of the limits imposed by the above working assumption on the ability of the Study to fully assess the impact of the Enhanced Growth Scenario on population, housing, transport and land use.

E. Transport Impacts

3.17 For transport impacts the Business as Usual scenario gives results similar to the Eastern Region Traffic Model at both 2011 (6% and 4%) and 2021 (13% and 14%). The Enhanced Growth scenario adds only an extra 5%. It is the Business as Usual scenario that produces substantial growth on the strategic road network and creates the major transport problems that will need to be solved, perhaps through additional capacity. The additional transport impact of the Enhanced Growth scenario is at local level, especially around specific urban areas, and more local solutions, for instance, through transfer between modes may be possible. However, the regional scale of this study may have led to the underestimation of local transport impacts arising from the scenarios.

3.18 A test was conducted of the impact of moving forecast jobs from areas of employment land shortage to adjacent districts with a land surplus. Only 36,000 jobs were affected and moves were mainly between Hertfordshire and Bedfordshire. There is an issue of the extent to which such redistribution would occur naturally as firms reacted to market pressures of higher costs and the extent to which planning and economic authorities would need to co-ordinate intervention. The test showed that there would be a displacement of transport impacts from Hertfordshire to Bedfordshire, raising questions of the scale, distribution and timing of new investment.

F. Urban Settlements and Productivity

3.19 Part One of the study suggests that larger urban settlements afford greater scope for productivity growth. Part Two of the study gives further thought to this issue, which it refers to as agglomeration. The study concludes that there are probably six candidates in the region where further expansion could assist this process – Luton-Dunstable; Greater Southend; Cambridge; Peterborough; Norwich; and Ipswich. However, it is noted that concentration of future population in these areas would have repercussions for the scale of allocations and scope of policies in the remainder of their sub-regions. It would also require significant investment in infrastructure with an emphasis on adequately managed and co-ordinated implementation.

G. Implications for RPG and Strategic Plan Areas

- 3.20 The study identifies the implications for RPG and Strategic Plan Areas as:
- An approach which deals with risk and uncertainty, especially as meeting the RES target by 2010 is challenging and allows little margin;
 - Little prospect of achieving significant impact on economic structure and locational patterns before 2010, so suggests low risk strategy to medium term with higher risk strategy (of steering economic growth to new areas) only for longer term;
 - The relative priorities of economic growth objectives in relation to environmental and social objectives need to be resolved for RPG;
 - Employment targets may help focus the economic aspects of RPG but due to uncertainties they may best be defined as a ratio to population growth;
 - The primary issue is whether to accommodate growth in situ, which would require relaxation of environmental policies, notably Green Belt, or to redistribute to areas of lesser constraints. The former offers a higher probability of achieving the economic target whilst redistribution of growth, by restricting in situ growth, could choke growth and/or cause relocation beyond the region;
 - The gap between new population projections and existing housing provisions needs careful consideration of the relationship between housing and economic growth;
 - There is a transport infrastructure deficit which requires investment in additional schemes for strategic routes before 2011 and enhanced local scheme investments between 2006 and 2021 together with encouragement of a shift to public transport;
 - Existing strategic plans and the results of the study scenarios show a mismatch which will need reappraisal of identified growth areas.

H. Future Work

3.21 The study identifies the following areas of future work as being beneficial for RPG and strategic plans:

- employment land supply – to include a risk analysis of the adequacy of existing supply; the potential for higher B1 densities in areas of pressure; and consideration of qualitative site issues.
- economic and spatial distributions – iteration and testing of further alternatives to assess land use and transport implications.
- inward investment – investigate potential sources and destinations of such investment and role of RPG and strategic plans in facilitating investment.
- agglomerations – further investigation of the feasibility and sustainability of the concept in identified areas of the region.
- sustainability assessment of economic scenarios – this was not part of the study brief but is a key issue raised during discussions on the study.
- affordable housing – the significance of this issue as a constraint to, and an enabler of, economic growth.

4 Key Issues

4.1 The study has represented a major undertaking to examine the consequences of pursuing realisation of the Regional Economic Strategy. The breadth and scope of the study has been groundbreaking and innovative. It has also established more effective and stronger working relationships between EEDA, EELGC and

the strategic authorities of the region. However, the study does not provide any easy solutions and leaves much open for continued debate. Indeed, the technical work highlights the fact that a full range of co-ordinated actions across a wide number of organisations are required if the region is to maintain, let alone improve, its economic strength. There is still much work and debate to be undertaken and the challenge for the future is how these positive benefits may be taken forward jointly by all partners.

4.2 However, in looking to the future it is of key importance that the limitations of the studies are fully recognised and acknowledged. This is to emphasise that the study is not the last word and that much still remains to be done. Further examination is clearly needed of many key factors included in the study. In addition much further thought needs to be given to the means by which cross-agency and authority priorities and investments can be better co-ordinated to deliver a strong regional economy.

4.3 Of key importance is recognition of the fact that regional studies of this breadth and scope cannot capture or address all necessary matters of sub-regional and local detail. It is vital to acknowledge that, within the aggregate regional analysis, key local variations and impacts are not picked up. The true impacts of trends and policies will be felt differently by people and businesses through the region depending on local circumstances. There is a need to ensure that analysis and actions are sufficiently robust and flexible to cater for local variations. This means having regard not only to the overall level of economic growth but also to its distribution through the region to maximum benefit, including for currently disadvantaged areas and sectors of the community.

4.4 A key finding of the study is that the headline target for the RES cannot be realised wholly through productivity improvement in the terms originally stated and assumed by the RES. Also, the European ranking of the region can change merely through the effects of statistical recalculation. Therefore, there is a need to reconsider the approach to the headline target of the RES. The study concludes that achievement of the headline target, especially by 2010, would require a massive change of approach on a wide number of fronts. Further, it recognises that even achievement of the Business As Usual scenario is challenging within the time horizon of the RES. However, having said that, the study equally shows that maintaining growth at current trends, and within existing policy frameworks, would result in the region only maintaining station. If other regions take actions which East of England does not then there is the risk, in the Business as Usual scenario, of the region slipping down the rankings and becoming less economically competitive.

4.5 The study has illustrated that there is not a simple linear and sequential relationship between the RES and RPG. Rather, there is a need to refine and develop approaches to both documents and processes through continual dialogue. Key issues raised by the study for further consideration in the remaining stages of preparation of RPG14 are:

- the overall regional growth rate;
- the co-ordination of regional economic and planning strategies;
- the generation, prioritisation and co-ordination of future investment;
- the detailed local impacts and investment requirements;

- the consequences of economic growth for regional balance and polarisation;
- the contribution and timing of land use and transportation initiatives and investment;
- the implications for sustainable spatial development patterns.

Regional Technical Advisors Group
24th September 2002

REGIONAL PORTS STUDY

Report by Regional Secretariat

Purpose of report: to provide a summary of the findings of the Regional Ports Study. The need for a study for highlighted in RPGs 6 and 9 to inform the development of a more regionally specific ports strategy.

Recommendations RTAG is asked to:

- note the findings of the Regional Ports Strategy;
- support consultation on them through the RPG options consultation;
- ask the Economic and Transport Task Groups to liaise in the preparation of advice on how the issues raised by the study should be incorporated in Draft RPG; and
- report accordingly to Regional Planning Panel for its information.

1 INTRODUCTION

- 1.1 The need for a study of ports and the shipping market, in order to develop a more regionally specific ports strategy, was highlighted in RPGs 6 and 9. RPG9 also notes that the study will need to acknowledge the role of neighbouring ports in adjoining regions and inform the next revisions of the RPGs for the East of England and the South East and the Spatial Development Strategy for London.
- 1.2 WSP Consultants were appointed in June 2001 by SEAPLAG (a grouping of local authorities with ports in the South East and East of England) to carry out the Regional Ports Study. The study steering group comprised representatives of the relevant Government Offices, Regional Planning Bodies, Regional Development Agencies and local authorities. A Ports Reference Group was also set up for consultation at key stages of the study.
- 1.3 The terms of reference for the study identified the core outputs as:
- a regional policy framework which recommends proposals and priorities for the development of ports and related regional transport infrastructure;
 - the provision of a ports dimension to the Regional Transport Strategies and the Mayor's Transport Strategy for London; and
 - an input to the first round of reviews of RPG.

- 1.4 The publication of the final study report was endorsed by a meeting of SEAPLAG in July.
- 1.5 Although Government policy is for a market-led ports industry, the industry has land-use, economic, environmental and transport impacts. Government guidance on the role of the RTS indicates that it should:
- offer guidance on the role and future of ports in the region;
 - integrate their needs with the transport infrastructure; and
 - provide a strategic steer on the role and future development of ports for both passengers and freight consistent with national policy.
- 1.6 The Regional Ports Study is intended to help inform the development of that strategic steer.

2 THE REGIONAL PORTS STUDY

- 2.1 The study covers the principal ports in the East of England, London and the South East (18 ports plus the Channel Tunnel) and the report is supported by a series of more detailed reports including:
- a review of current policy context;
 - a summary of the one-to-one discussions held with individual ports;
 - a review of the potential role of port development in meeting social and economic regeneration needs;
 - a review of the major drivers of port demand within the study area and the shipping industry;
 - a review of trends in the ports and shipping sector; and
 - a forecast of trends in the shipping sector 2000-2016.
- 2.2 The final report and accompanying documents can be accessed at www.seaports.org.uk.
- 2.3 The study report sets out the components of a preferred strategy for the study area based upon the following identified guiding principles:
- the critical role of ports as key gateways;
 - the need to make the best use of existing facilities - port infrastructure that is under-utilised at present may have potential uses in the future;
 - the market will determine whether a port development is worth considering, but once put forward, the development must be assessed against the other guiding principles;
 - decisions on individual and competing proposals must be determined on their own merits within the context of the national, regional and local development plan framework;
 - port developments must be guided by sustainable development principles;
 - environmental protection must play a central role in determining final decisions on proposals;
 - port developments that assist the regeneration of communities will be particularly favoured;

- where proposals require public sector funding to pump-prime their development in order to meet non-market related objectives such as community regeneration, it must be demonstrated that no significant distortions to the fair and free market will occur;
- ports and port developments should have adequate landside transport infrastructure.

The preferred strategy

2.4 New port facilities - container terminals:

- the study recommends that provision should be made for additional capacity by 2016;
- notes that all the major container port proposals (Felixstowe, Harwich, Shellhaven, Thamesport and Southampton) have considerable benefits in terms of meeting economic needs and assisting local regeneration and have potential severe impacts in terms of the environment and the need for improved transport links;
- the consultants' view is that Shellhaven offers the greatest degree of fit with national and regional policy objectives, and the guiding strategy principles set out above (subject to the provisions of the Habitats Directives and other statutory instruments);
- but they note that they have insufficient information to suggest that any of the above proposals should be prevented from going ahead. They therefore recommend that development plans should safeguard land for container port developments at all of the above locations.

2.5 New port facilities - ro-ro terminals

- the study recommends the expansion of ro-ro operations at Dover and the Channel Tunnel to meet shortfalls in capacity, subject to a detailed transport assessment of the impacts that may occur on the local highway networks;
- it notes that the proposed ro-ro facility at Shellhaven is well related to the identified guiding principles and, in conjunction with the container terminal proposal, would help Shellhaven to succeed as a commercial entity;
- it recommends that ro-ro facilities alone should not be supported at Shellhaven without firm commitments for the container terminal proposals to follow;
- it notes that the proposed ro-ro facility at Great Yarmouth is well related to several of the guiding principles, and should be supported provided that it is demonstrated that any influx of Government funding will not cause unacceptable distortion to the ro-ro market on the East Anglian coast.

2.6 Niche ports

- the study comments that a number of ports will continue to play a role in one or more niche shipping markets outside of deep-sea

containers and ro-ro. These markets include, but are not limited to, bulk fuels, bulk aggregates, trade vehicles, agricultural goods and fresh produce;

- it identifies the following niche ports in the East of England - King's Lynn, Lowestoft, Great Yarmouth, Ipswich and Felixstowe;
- it does not put forward any specific recommendations for their development but does encourage support for proposals that are consistent with their activities (subject to legislative and planning considerations).

2.7 Infrastructure implications

- a strong message to emerge from the study is that rail access to ports is a matter that requires urgent attention. It concludes that, as well as the need to provide new links to ports that are currently not served by rail, there is a pressing need to upgrade the rail links to ports that are presently in use so as to eliminate constraints that are reducing the use of rail as an alternative to road. It notes this is a particular issue at container ports;
- it recommends a series of rail improvements priorities which should be included in regional and local transport plans;
- with regard to the road network it notes that most of the principal pinch points that affect port access are already committed in the Highways Agency's Targeted Programme of Improvements and relevant Local Transport Plans or are being considered in the context of multi-modal studies.

2.8 Other recommendations of the study

- that the recommendations of the study be considered within the broader context of the Regional Transport Strategies currently being prepared for the South East and East of England, the Mayor's Transport Strategy for London, the emerging regional Planning Guidance and revised Regional Economic Strategies;
- that the dialogue opened with the Ports Reference Group through this study is maintained and that closer discussions between planning authorities and the ports are kept going;
- the study recognises the potential of short sea shipping. It notes that the European Commission's proposals for "motorways of the sea" emerged during the course of the study. It recommends more detailed study of the potential for short sea shipping, in particular to assess the feasibility of particular links between European ports;
- the immediate development of a monitoring framework for this study is hampered by the lack of relevant data available in the public domain. The consultants recommend that local and regional authorities work closely with ports and the shipping industry to develop a better understanding of key information relating to land-side transport (modal shares), the origins and destinations of goods, by commodity, for each port; the transshipment of goods and the potential for demand growth in certain key markets.

- 2.9 **Next steps** - this study has not been well received by members of the Ports Reference Group. Particular concerns have been expressed about the lack of consultation with them on the final study report, the forecasts used in the study. The study report has also been accused of picking 'winners and losers' and supporting public investment in ports in the face of Government policy which is that port investment should be based on market principles. The study steering group has received a number of letters to that effect, and with more detailed comments, from members of the Ports Reference Group. The Secretariat has also met representatives from ABP and Hutchinson Ports to discuss their concerns.
- 2.10 The Regional Ports Study is one of a number of documents that will be used to inform the preparation of Draft Regional Planning Guidance. Given that there is a strongly held view that there was a lack of consultation at the later stages of the study, it is proposed that comments on it should be invited as part of the RPG options consultation process. This will be made clear in the covering letter which will accompany on the consultation document.
- 2.11 The process for addressing ports and port related issues in the preparation of Draft RPG needs to be identified. Given that ports have both an economic and transport implications it is proposed that the Economic and Transport Task Groups be asked to liaise on the study's findings with a view to preparing advice on how they should be incorporated in Draft RPG14.

3 **Recommendations**

- 3.1 RTAG is asked to:
- note the findings of the Regional Ports Strategy;
 - support consultation on them through the RPG options consultation;
 - ask the Economic and Transport Task Groups to liaise in the preparation of advice on how the issues raised by the study should be incorporated in Draft RPG; and
 - report accordingly to Regional Planning Panel for information.