

## LONDON AND WIDER SOUTH EAST STRATEGIC PLANNING NETWORK

Monday 9<sup>th</sup> July, 11am at ARUPs, 8 Fitzroy Street, London W1T 4BJ

### Agenda Item 3 Governance Issues

1. The attached note is a draft paper which was agreed to be prepared following the Roundtable held last year. Its preparation has been deferred to allow the content of the London Plan to be taken into account as well, as the development of ideas with the Common Futures Network, in terms of how to proceed.
2. It intended to be prepared as a joint report with Andrew Carter of Centre for Cities. I have however not sought to get Andrew's input at this stage since I considered that the L&WSE Partnership Group would provide a very sound basis for consultation at a formative stage which Andrew and I could then build upon. In a similar way it has not been subject to any consultation with the wide Common Futures Network. It is however intended to do so in its next iteration of the report. You should also note that it draws heavily on ideas tabled at the Roundtable and in reports / publications, particularly by Duncan Bowie. These credits do not appear in this draft version
3. Therefore, network members are asked to treat this as a work in progress and confidential to the network, as a basis for discussion at this stage.

Vincent Goodstadt

02/07/18

Draft Discussion Note  
Issues and Options for the Governance of the Wider South East Region

**Context**

1. In June 2018 a Roundtable was held at the Centre for Cities on the Governance of the London City Region (LCR)<sup>1</sup>. This was convened in response to the propositions in the *Prospectus* prepared by the Common Futures Network setting out a 'New Agenda for England and the UK'.
2. The governance of the LCR has been debated for over half a century and has from time to time been used as a political football. There has been more recently a great deal of effort through the Wider South East Political Steering Group (WSE PSG) to overcome this. Despite this a key concern identified in the *Prospectus* of the Common Futures Network is that even these current arrangements are not fit for purpose in terms of:
  - A. The internal challenges that the Region faces;
  - B. The need to rebalance the nation's economy, social well-being and environmental pressures;
  - C. The external challenges that London faces to its global competitive role.

The Common Futures Network therefore proposed that in order to secure the global role of the LCR, a high level non-statutory public – private forum should be created with the express remit of preparing a strategy for the London city Region

3. This Draft Discussion Note develops this Proposition (refer Appendix A) drawing upon the Roundtable, the discussions around the London Plan and wider related research. It has been prepared for consultation with the Highbury Group and the London and Wider South East Strategic Planning Network. It has also had regard to the wider conversations taking place nationally on devolution and the planning system. It addresses two over-riding questions which should determine the most appropriate governance arrangements:
  - A. The decisions need to be taken at the city region level; and
  - B. The competences, capacities and inclusiveness of the body that takes these decisions

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<sup>1</sup> For the purposes of this Discussion Note the LCR is defined as by the London and the East and the South-East Regions is being used as the basis for cooperation in the Wider South East Region.

## Which Decisions need to be taken at the City Region Level?

4. The LCR is not a single functional urban area. Interdependences operate at various levels, many local or at a sub-regional level. The key ones relate to the functioning of labour and housing markets and the associated journey to work areas. The natural resources of the region (its natural ecosystems and landscapes) are also clearly shared and interdependent.
5. These functionally interdependent matters are recognised. For example, current planning processes Local Housing Market Areas have been identified and form a practical basis for dealing with local cross boundary interrelationships. (MAP)
6. However, the planning of these areas depends upon underlying assumptions about the matters that require a LCR-wide perspective. These include:
  - The Overall Scale and Balance of Demand in terms of people, housing and jobs for the region and its sub-regional areas. This is recognised in the extensive liaison that has taken place through the WSE PSG in responding to the requirements of the latest revision of the London Plan.
  - External relationships that need to be taken into account, especially, for example, links to south Midlands & MK / Northampton area and M4 Corridor to Bristol. This has been particularly exemplified in the debate about the role of CaMKOx proposals, and their wider relationships.;
  - The Development Priorities which drive the economic and social future of LCR, including transport hubs, strategic growth points (for urban regeneration, urban extensions or new communities) and metropolitan commercial and cultural centres; and natural assets. The case for such a programme of integrated projects has been set out and illustrated in the AECOM Report London 2065.
  - The LCR Networks upon which all communities in the LCR are dependent including, Rail (passenger and freight, Road, Canals/river systems, Power grids, Telecommunications, The Water Catchment, and Ecosystems,

## Adequacy of Current Arrangements

7. The inherited system post the abolition of Regional Planning outside London by the Coalition Government has depended upon the Duty to Cooperation. This has failed as a means of providing consistent and comprehensive coverage on such key issues as the assessment of housing need and capacity. This problem has been reinforced by the lack of any spatiality to the NPPF. Even in its revised form the approach to housing needs assessment is formulaic and trend based, as is not needs based in its approach.
8. The need for a fresh approach to collaboration between authorities is a national priority, In recent years there has been a significant level of political and technical engagement prompted by the review of the London Plan. As a result, there is an expressed desire for continued collaboration in the Wider South East and beyond. This is based around corridor growth area policy for investment in strategic infrastructure to support housing and business.

9. This collaborative approach is reflected in two key policies in the Draft London Plan, Policies SD2 (re Future Collaboration) & SD3 (re Strategic Infrastructure Investment) . These policies are recognition of the need for a common and consistent approach to planning issues across the WSE which at present does not exist. These policies seek to overcome this by the GLA committing itself to on-going joint planning work to resolve, specify and implement a more collective framework for the area especially along the key Corridors. The draft Plan proposes to achieve this through the current informal liaison arrangements which are linked to annual summits between the 156 Local Authorities and 11 LEPs. This is a welcome initiative by the GLA and its partners but it is not vehicle for delivering agreed outcomes. This is illustrated by the outcomes of the latest Summit that is referred to in the draft London Plan (footnote 7).
10. However useful the current approach to cooperation has been in preparing the Plan, it is uncertain that it will provide an effective on-going mechanism once the Plan has been approved. This risk arises from two factors in particular. First, its dependence on setting up a series of local partnership arrangements without any stated means for dealing with their interdependencies. The resulting set of individual projects and programmes will not of themselves provide the strategic context for the WSE, Secondly, the whole process as stressed in the draft Plan is to be based on cooperation of *Willing Partners*.
11. It is therefore considered that as it stands Policies SD2 & SD3 have limited power to deliver the desired cooperative outcomes. These processes envisaged are clearly related to the current Duty to Cooperate, which the Government itself in its review of the NPPF recognised as weak and less effective than it was intended, Therefore, the probability is that the highly desirable aims of Policies SD2 & SD3 could remain unfulfilled aspirations, and that the status quo continues to constrain the future of London.
12. This view is reflected in the responses from a range of consultees on the plan, for example, from those with a development, infrastructure, green interest. It is also reinforced by the position of the south-east authorities outside London. Their position reflects the position of the GLA with collaboration being based on the Plan process and strategic projects, but a sustained and integrated approach. The key gap is that there is no overall Vision for the long-term sustained development of this global region.
13. As Duncan Bowie has demonstrated there is a wide range of options in how the region could develop, including:
- Hyperdense development in city centres and fringes or Opportunity Areas
  - Suburban intensification including in suburban town centres
  - Planned Urban extensions
  - A new programme of garden cities within or beyond the green belt
  - Residential dispersal to other parts of UK (with or without employment dispersal)

## Some Issues

14. As a result of current arrangements, there is cross boundary policy conflicts: housing; employment; retail provision; parking; waste management. In addition, there is no linkage between spatial planning decisions and infrastructure investment decisions at national or metropolitan regional level.
15. There is a consensus about the need for an improved approach to secure the future of London and the Wider South- East Region. These included the need for a more consistent approach to estimating need and to reduce the discrepancy between national and local estimates. This is recognised in the HBLG's proposed approach to determine local housing need. This however exemplifies the problem of formulaic approaches which are essential trend driven reinforcing the areas of greatest pressure.
16. The Roundtable therefore explored and identified a range of issues that need to be taken into account in framing any alternative to the current system. These are summarised as follows: -
  - A. 'Who 'we are planning for?': there was a strong agreement about the need for development decisions to be much more sensitive about their social impacts. The current emphasis on delivering planning 'numbers' is at the expense of their impacts on the quality of life of existing and new communities. Especially those on benefit;
  - B. New approaches are required to the funding of infrastructure and capturing land values
  - C. The need for clarity about the national spatial context within which the WSE sits;
  - D. The status of any spatial strategy for the WSE is critical – it must have some form of status that involves government departments, engages widely and aligns funding – a voluntary approach is not good enough;;
  - E. The form of the plan needs to be light touch and focussed – beign loose knit, investment framework and set out a clear regional narrative;
  - F. Although there has been progress n setting the common ground on the least contentious issues the wicked issues are difficult or. avoided because there is not the institutional capacity to take decisions. The Greenbelt typifies this problem;
  - G. The role of Central Government is critical in terms of :
    - i. Setting expectations
    - ii. Incentivising action
    - iii. Flagship projects
    - iv. Setting the national overlay
  - H. The need for new approaches which allow the Business sector has to be brought into the process as part of the plan-making process not mere consultees, without undermining the democratic strength of the process.
17. The issues faced are not seen as unique to the UK. EU and OECD policy directions in tackling these issues are based around
  - A. Comprehensive Networks – i.e. a corridor approach which cuts across boundaries

- B. Integrated investment strategies (it is) as are being pursued in Cornwall but have equal applicability to the WSE area
- C. The use of soft powers around social welfare policies and the application of combined authority model generally

### **Benchmarking the WSE**

18. In the light of the considerations from the Roundtable it is useful to systematically benchmark the strength of the components of the current system. The European METREX network for metropolitan planning has given much consideration to this and established a set of the governance arrangements for the strategic planning of metropolitan regions.
19. The following table provides the indicative results for the WSE and gives a ready checklist of the current arrangements for strategic planning, decision making and implementation for the London & Wider South East region. These benchmarking identify a range of factors that critically affect the effectiveness of the planning system. The criteria are grouped under to three key themes:
- A. The Competences: the ability to take effective decisions
  - B. The Capabilities: the ability to take fully informed decisions
  - C. The Processes: the level of engagement, & ability to deliver the strategy.
20. There is often a relationship between these themes, for example the powers to prepare a plan and those to implement them. There is however no necessary dependency between them. International experience is that they can be delivered in a range of governance arrangements from top down to bottom systems or from decentralise to federal systems. Experience also shows that weakness in one area aspect can be offset by compensatory arrangements. Most notably this applies where the lack of formal powers to prepare and implement a strategy can be offset by embedded and extensive engagement processes with external arbitration. It does however provide a practical starting point for a structured discussion on where and how the current arrangements for strategic planning in the WSE can be enhanced.
21. The table distinguishes between where the factor. This would suggest that the following key issues that need to be addressed if there is an effective strategic planning arrangement for the WSE:
- A. Competences: the lack responsible organisation and national spatial context limits what is done collectively, and makes it dependent on secondary mechanisms to have any bite (e.g. the Duty to Cooperate)
  - B. Capabilities: the technical resources are very constrained and fragmented; technical work therefore tends to be limited mainly to housing numbers and transport priorities, although there is joint working on development corridors and environmental issues
  - C. Processes: the lack non-statutory or even formal status of joint work is partly offset by the general duties for transparency and engagement on local government, but the current processes are set up on a sustainable basis longer term commitment

<b>BENCHMARKS</b>	<b>CURRENT SYSTEM?</b>
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		<b>GOOD/ GENERAL</b>	<b>PARTIAL</b>	<b>MINIMAL /MISSING</b>
<b>COMPETENCE TO PLAN STRATEGICALLY</b>				
1	HIGHER-LEVEL CONTEXT			No national framework
2	RESPONSIBILITIES			Split/Indirect
3	SCOPE OF STRATEGY		Housing & Transport	
4	EXTENT OF THE AREA	FUA		
5	STATUS OF JOINT WORKING		DtC only	
<b>COMPETENCE TO IMPLEMENT THE STRATEGY</b>				
6	POWER TO IMPLEMENT & SAFEGUARD STRATEGY			Indirect or Local
7	LINKAGE OF STRATEGY TO IMPLEMENTATION RESOURCES			Indirect Links
<b>CAPABILITY TO TAKE INFORMED DECISIONS</b>				
8	<b>PROFESSIONAL RESOURCES</b>			
	• SURVEY AND DATA COLLECTION		Fragmented	
	• URBAN DEVELOPMENT POTENTIAL		Fragmented	
	• SCENARIO PLANNING			Limited
9	<b>COMPONENTS</b>			
	• ECONOMIC DEVELOPMENT			Separate Bodies
	• TRANSPORTATION		Fragmented	
	• HOUSING & SOCIAL DEVT.		Just Hsg Numbers	
	• RETAIL DEVELOPMENT			Local
	• ENVIRONMENTAL QUALITY			Fragmented
<b>PROCESS of PARTICIPATION</b>				
10	LEGAL RIGHTS OF INVOLVEMENT	Statutory		
11	A PROACTIVE AND INCLUSIVE APPROACH			High Level Only
12	STAKEHOLDER INVOLVEMENT	High Level		
13	TRANSPARENCY	Statutory		
14	INDEPENDENT TESTING THE STRATEGY			Indirect thro' LP process
<b>PROCESS of IMPLEMENTATION &amp; REVIEW</b>				
15	IMPLEMENTATION			TBC
16	MONITORING			TBC
17	REVIEW			TBC

### The Status of an LCR Strategy

22. Governance is not just about the territorial responsibilities of different public bodies but about the distribution of powers between them. This is not limited to which organisation has plan making and/or planning decision powers, but which organisation owns the land and has the power to acquire land, which has the funding, and which has powers of regulatory intervention - the power to direct development as well as the power to stop development.
23. The status of the LCR Strategy will determine the appropriate form of the decision-making body. There is a consensus that if any LCR strategy is to be effective it must be more than advisory, and not at the whim of political cycles and discretionary. It therefore requires to have teeth. The options range from:
- A material consideration through secondary instrument – e.g. endorsed as government policy in some form (letter, circular, or part of the NPPF)
  - Incorporated as part of the development plan system.
  - Some form of hybrid whereby the whole document is a material consideration in the system but those components that are recognised national priorities are built onto the NIC process.

### **The Options**

24. Any strategic planning arrangements for London and the WSE must have the capacity to agree the basis for metropolitan region district level population and household and employment projections in order to ensure that LPAs and boroughs in metropolitan region have regard to their interdependent relationships. Any arrangement to establish a strategic planning capacity needs to be
- Flexible and strategic, with a clear focus on those issues
  - Serviced by metropolitan region strategic planning team with the capacity to undertake technical work at a regional level e.g. in terms Population and household projections including migration forecasts; Strategic Housing Market Assessments, Strategic Housing Land Availability Assessments, Employment need and capacity studies; Retail demand and capacity studies.
  - Permanent (i.e. not convened on an ad hoc basis)
  - Independently advised (i.e. with its own permanent technical support)
25. The following four formal organisational options have been identified, in order of their ease for implementing in terms of timescale and established arrangements and legislative implications and effectiveness (based upon meeting the benchmarking standards of best practice):
1. Annual Forum – based on the current approach but set up on a permanent basis and with full commitment by bodies
  2. Ad hoc statutory joint standing committee of local government using powers for delegated joint working under the respective local government acts
  3. Statutory body advisory powers e.g. Royal Commission, requiring ministerial approval
  4. Statutory regional body with planning powers requiring legislative action.

26. In principle and from experience a properly established regional planning arrangement for the metropolitan region is most the effective and efficient option (i.e. Option 4) It has however been argued that, in the short term, it is unlikely to be established for practical reasons and because of the political challenges it would face. This is however considered to be no reason to establish immediately a more effective mechanism than the current one.
27. There are examples of bespoke arrangements which may have relevance to the London situation e.g. Sydney and Greater Barcelona. It might be worth considering the following two options:
- A. The first is the one that the CFN recommended that the establishment of a Public-Private Board with a permanent core group of technical officers and administrative. This is based on the approach of the nearest comparator i.e. New York, in terms of its role, size and ageing infrastructure, and participatory democratic processes of its region. There the long-term strategic planning of the greater New York Tristate Region has been helped through a non-statutory Regional Plan Association of private sector and public interest - light touch and strategic.
  - B. The second is to consider whether it is possible to develop a bespoke model based on strategic functions being divided between a London City Regional body and lower level planning authorities (including intermediary strategic planning tiers based sectoral groupings of local planning authorities). This could be an organisation with a board including indirect representation (ie from Mayor and sub-regional groupings) and involve MHCLG/BEIS/DfT input with a specialist strategic planning team. Formal consultation might also be strategic e.g. statutory planning bodies, and possibly new sub-regional transport bodies if they have a statutory basis,
28. The early establishment of such a body would help reposition the policy debate. It could be set up on an interim basis (e.g. with a 5-year programme of action) with a remit to sort out the truly strategic region-wide issues and explore a more permanent arrangements,