

## ANNEX 1

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Sent by email to: [regionalstrategy@communities.gsi.gov.uk](mailto:regionalstrategy@communities.gsi.gov.uk)

Dear Mr Hurley,

### **Surrey County Council Response to the 'Policy Statement on Regional Strategies and Guidance on the Establishment of Leaders' Boards' consultation**

Surrey County Council believes it is best placed to lead on sustainable economic development in the county and have the delegation of powers and funding to enable it to continue to drive one of the top performing economies in the country (Surrey contributes over £5 billion net each year - pre recession - to the Exchequer, more than anywhere else in the UK, excluding London). These powers should encompass, inter alia, housing, spatial/ strategic planning and minerals extraction, thus eliminating considerable unnecessary bureaucracy. Planning affects people and place, thus decisions are best taken locally and not through regional structures.

#### **Key Points**

- A new regional governance framework for the South East has already been drawn up in discussion with Government Office. SCC is playing a key role in the new arrangements. However, these do not meet Surrey County Council's drive for efficient and cost effective governance of Surrey
- The draft guidance does not currently specify details about how local authorities – as distinct from the Leaders' Board - should be involved in the regional strategy preparation process. This is a significant omission. All local authorities will have a key role in the development of the regional strategy, and it is important that the final Policy Statement properly recognises this and ensures local buy-in
- Government must ensure that its individual departments do not impose numerous prescriptive requirements and targets on the region, or its member authorities
- Government must ensure that any additional policy guidance does not compromise the key principle of regional flexibility or the ability for regional strategies to be concise, high level and succinct
- Local authorities must be able to interpret Government guidance and assess what is appropriate for local conditions
- For the South East region, and its individual authorities, to move forward with the preparation of the regional strategy in a timely and efficient manner, Government must publish any additional guidance as soon as possible to avoid delay to the regional strategy development process.

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## Introduction

1. In the South East, proposed governance arrangements to facilitate the production of the integrated Regional Strategy have already been agreed. The Regional Assembly was abolished on 31 March 2009. It has been succeeded, on 1 April, by the South East England Councils (SEEC), which all 74 local authorities in the region belong to. The South East England Leaders' Board (SEELB) is drawn from the membership of the South East England Councils Executive, which includes the Leader of Surrey County Council. The South East England Partnership Board (SEEPB) has been established by the SEELB and SEEDA to take forward the development of a new regional strategy, with the South East England Strategy Board steering the work on its behalf. Whilst SCC is working closely with SEEPB, and its various boards, in the development of the new regional strategy, Surrey County Council and partners would wish to have the final say on matters concerning Surrey.
2. A diagram of the new regional governance framework is attached as **Appendix 1**. These arrangements have been drawn up in discussion with Government Office for the South East. They should enable partnership in the South East to develop a Regional Strategy that focuses on issues of genuine regional significance. However, more work around the accountability of the different levels of SEEPB would be beneficial, e.g. which bodies can task delivery boards with work and what are the reporting lines, including for any work that falls outside development of the regional strategy.
3. Early work has begun on the scoping and content of the new regional strategy. The SEEPB has identified six key themes around this, which will be taken forward for debate in February 2010. These are:
  - Climate Change and a Low Carbon Society
  - Demographic Change and the Ageing Population
  - Making Housing more Affordable
  - Technological Innovation and Economic Growth
  - Dealing with Economic Disadvantage
  - Funding for Infrastructure and Investment

Each theme will be the subject of an Evidence Paper. These will be used as the basis for a series of workshops to discuss issues and scenarios. The workshops are not planned to deal with each issue in isolation, but would consider the implications across the issues and scenarios, in order to develop a holistic view of future directions for the region. The workshops are expected to involve all local authorities, SEEDA board members, key delivery bodies and stakeholders. They are intended to be held in late 2009 and early 2010, which will fit with the timing of the project plan to be recommended to the SE England Strategy Board. It is essential that Surrey County Council is consulted and that there is a clear process for our self and our partners to agree future directions for the region. The South East England Strategy Board will have an opportunity to consider the draft project plan at its meeting in November before the SEEPB signs this off in February 2010.

## Key Issues

### Ownership

4. The single biggest change in terms of 'ownership' is that the RRAs (Responsible Regional Authorities - RDAs and Local Authority Leaders' Boards) will have joint responsibility for the strategy preparation process throughout, until the very last stage when it is signed-off by the Secretary of State. This should help overcome the significant criticism of the current RSS process where the Government took responsibility for the plan at draft stage, which led to changes to the plan that were not supported by the Regional Planning Body nor Surrey County Council and a significant extension in time to the process. It is critical that the new process has clear democratic accountability.

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5. A significant omission, however, appears to be that the draft guidance does not currently specify details about how local authorities – as distinct from the Leaders' Board - should be involved in the regional strategy preparation process. All local authorities will have a key role in the development of the regional strategy, and it is important that the final Policy Statement properly recognises this. Failure to involve local authorities in the production of the regional strategy will make it harder for the RRA to actively engage with local authorities to promote the implementation of the regional strategy at the local level, not least as implementation of the policies in the regional strategy will in large part be dependent on these being translated into Local Development Documents, Local Transport Plans and other local plans and programmes. As a strong principle, Surrey County Council believes that regional government should be answerable to the communities it serves. Thus failure to engage all local authorities in the development of the strategy will weaken the degree of democratic accountability.
6. The Leaders' Board will need to act with a mandate provided by the individual authorities in the region. These should also have 'signed off' the regional strategy via the Leaders' Board ahead of its submission to the Secretary of State

### Flexibility

7. Government has made it clear that it does not intend to prescribe a specific model for what regional strategies should look like, and that – whilst regions will be expected to adhere to the key principles set out in the policy statement - there will be flexibility for each region to focus their regional strategy to meet the particular needs of that region. Regions must be permitted to decide the arrangements that best suit their conditions/ circumstances, and to decide the key principles that underpin their integrated strategy.
8. The proposed regional flexibility over the content of the regional strategy is welcome. It will provide an opportunity for the partners in the South East to develop a strategy that builds on the region's particular strengths and focuses on the delivery of key regional priorities. However, if Government is fully committed to regional flexibility, it must ensure that its individual departments do not impose numerous prescriptive requirements and targets on the region<sup>1</sup>, in particular housing allocations, which may compromise the extent to which the regional strategy can focus on issues of genuine regional significance. It is our firm view that housing allocations should be set locally and not from a top down process. The ranges put forward by the NHPAU in August 2009 are not credible and should be discounted, just like the ranges it published in July 2008 in respect of the current RSS for the South East.
9. Local authorities should have the power to set housing levels sufficient to support sustainable economic growth/ sustainable development. Instead of setting top down housing targets, an assessment of what is a sustainable level of population in Surrey, i.e. one that would not compromise existing quality of life, should first be carried out. This assessment would then determine housing levels in the county. Surrey cannot be expected to continue to provide new homes at current or higher rates.

### Streamlining strategy development

10. We support the desire to streamline the strategy preparation process. The current RSS process takes far too long with the result that parts can be out of date before the strategy is finally approved. The proposed streamlined process should result in a much quicker process but, importantly, will still meet the requirements of the statutory planning system (stakeholder engagement/public consultation, sustainability/environmental appraisal, independent testing).
11. We note that the draft policy statement also sets out a number of areas on which further advice will be issued, including:
  - 'Priority Policy Areas' for RSs (focusing on economy, housing and climate change)

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<sup>1</sup> Such as those currently included in some Planning Policy Statements that predate the RS legislation

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- guidance on assessing environmental limits
  - guidance on the Habitats Regulations process
  - a core National Sustainability Framework
  - the New Industry New Jobs National Framework; and
  - Local Area Economic Assessments (now published).
12. While Government can issue further advice, Surrey County Council and partners will want to use their own interpretation on what's appropriate for Surrey. Significantly, Government must ensure that any additional policy guidance does not - through prescription or undue complexity – compromise the key principle of regional flexibility or the ability for regional strategies to be concise, high level and succinct. Similarly, in order to allow the South East region to move forward with the preparation of the regional strategy in a timely and efficient manner, Government must publish additional guidance as soon as possible to avoid any delay to the regional strategy development process.

### Deliverability and funding

13. The draft Policy Statement outlines the regional strategy's key role in guiding the planning and investment decisions of public sector agencies, local authorities and other regional partners:
- the regional strategy should identify priorities and outcomes for the region, and should seek to align public and private sector investment to deliver these priorities
  - it should be accompanied by an evidence-based Implementation Plan that identifies key actions and lead partners for delivery, focusing particularly on priorities over short term (first 3-5 years).

Government also makes it clear, through this draft guidance, that likely funding availability must be a key consideration in the preparation of a regional strategy.

14. The focus on deliverability and provision of appropriate strategic infrastructure to support development will help ensure that the regional strategy adds value to planning and investment in the region and should be welcomed.
15. For the short to medium term, funding for the region is very uncertain. The longer-term picture is also unclear. This will make it difficult to develop a detailed Delivery Plan for the regional strategy.

### **Detailed Comments on the draft Policy Statement on Regional Strategies**

#### General

15. It is important that the final policy statement recognises the need to balance regional challenges and opportunities in relation to the economy, environment and community well being. That said, we agree that the regional strategy should set out a common vision for a 15-20 year period, and should cover, inter alia, spatial/ land use planning, sustainable economic growth, innovation and enterprise, skills, infrastructure, transport, regeneration, health and communities.
16. While reviewing the regional strategy on a five yearly basis seems appropriate, there should be flexibility in the frequency of reviews, so that should the national/ regional landscape or economic climate change significantly warranting an earlier/ later review, this is possible. It is essential that any partial or full revisions to the strategy enable key stakeholders to engage fully in the process and that the approach/ process employed is transparent with a clear timetable for the submission of evidence/ views and the timely sharing of updated evidence/ research.

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17. The final Policy Guidance should also include information about transitional arrangements, particularly in terms of handling current partial reviews of Regional Spatial Strategies.
18. We believe that integrated regional strategies must be informed by local economic assessments carried out by upper tier and unitary authorities. In Surrey, we are intending to complete our economic appraisal by autumn 2010 to meet the timetable for the provision of evidence to inform the new RSS for the South East.

### Sub-regions and interregional issues

19. We suggest inclusion of a reference in paragraph 3.6 to the importance also of building on successful economic sub-regions established through the RSS and RES process, for example in the south east, the Gatwick Diamond. It is also important that the guidance reflects the distinction between single issue cross boundary co-operation (e.g. on transport) and complex strategic issues that require sub-regional policy.

### Options development

20. Paragraph 5.22 refers to the identification of 'options for delivering the strategy'. We assume the intention is that options in relation to the strategy itself – the most appropriate policies and priorities for future growth and development of the region - should also be considered, but this should be clarified.
21. Whilst deliverability is an important aspect of the regional strategy, it may not always be possible at options development stage to identify with certainty the deliverability of long term options (paragraph 5.23 (4)) given relatively shorter term funding horizons. The role of the regional strategy should be to set out the long term implementation of the strategy, leaving some flexibility in terms of deliverability to the Regional Delivery Plan.

### The Examination in Public

22. We support the intention in paragraph 5.36 to involve the Panel Chair in the early stages of strategy preparation, as well as the intention of holding exploratory sessions in advance of the Examination in Public (EiP). We hope both these will enable any controversial issues to be addressed more effectively.
23. We note the requirement in paragraph 5.40 that RRAs should not introduce major new material prior to an EiP. The final policy statement should better acknowledge the need for all interested parties to have the opportunity to submit statements and/ or relevant new information in the run-up to an EiP. This is vital to ensure that the most up to date information relating to the matters to be discussed is available to the Panel. Whilst we understand the rationale for the statement in paragraph 5.40, we believe that any such requirement should extend generally to all key parties involved in the EiP, and that the Panel Chair should have the ability to determine what material is admissible at this stage.
24. We understand that the EiP will be funded by CLG (in addition to core funding from regional strategy development work). However, the final policy statement should clarify this matter.

### Monitoring and Implementation

25. We welcome the clarification about what the Implementation Plan 'will not be' in paragraph 5.50. It may also be useful in the final policy statement to make clear the important connections between the regional Implementation Plan and 'local' implementation issues identified through Local Development Framework delivery plans.
26. Paragraph 5.49 (8) states that Implementation Plans should 'be reviewed through the annual monitoring process and revised where necessary'. It would be helpful if the final policy statement could clarify that there is no requirement to revise Implementation Plans on an annual basis.

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### Draft Town and Country Planning (Regional Strategy) (England) Regulations 2010

27. The draft regulations define 'relevant authority' in section 2 of the draft Regulations as either a district council or county council. The regulations should clarify whether, as expected, unitary authorities fall within the definition.
28. In section 2, 'specific consultation bodies' should include reference to both the Learning and Skills Councils (and their successor bodies) and the Homes and Communities Agency.

### Sustainability Appraisal of Regional Strategies: Draft supplement to *A Practical Guide to the Strategic Environmental Assessment Directive*

29. In general, we support the aspiration that the sustainability appraisal should form an integral part of the preparation of the regional strategy (paragraph 5.25). Having a common evidence base for the regional strategy and the sustainability appraisal (paragraph A4.17) will help achieve this integration.
30. We note that Annex 4 promises 'additional advice on the appraisal of social and economic effects' (A4.1). However, beyond another reference to this in paragraph A24.27, this advice is not provided – the final guidance should include such advice.
31. Paragraph A4.20 states that 'detailed decision making criteria can also be included' in the Sustainability Appraisal Framework. The meaning behind this is not clear and we would like to see further explanation of this concept if it is to be included in the final guidance.

For further information please contact Damian Testa, Lead Manager for Environment and Economy, on 020 8541 7068 or email [damian.testa@surreycc.gov.uk](mailto:damian.testa@surreycc.gov.uk)

Regional Strategy: Proposal for Governance Arrangements in the South East (Working Model – July 2009)

