

# GWE Business West Policy Update

## January – March 2010

### Introduction

This first edition of our Policy Update provides a short briefing on key policy initiatives, consultations and political statements published over the last 3 months. These updates are produced by the Policy Team at GWE Business West and will be made available to partner organisations, business members and staff.

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### HIGH SPEED RAIL CONSULTATION 2010

In January 2009, the Government established High Speed Two Ltd (HS2 Ltd) to consider the options for a new High Speed Rail (HSR) network in Britain. The subsequent report to Government on March 11<sup>th</sup> 2010 detailed a strong business case for a new London to Birmingham line, setting out recommendations for the design of its route, together with a range of options for how it might be extended to serve other conurbations.

The report highlights how the demand for travel between the UK's largest cities is expected to increase significantly over the coming decades, driven by continuing economic growth and rising prosperity. Indeed without this proposed line, it is anticipated that by 2033 the average long distance West Coast Main Line train would be 80% full.

It is suggested that creation of a High Speed Rail Network would offer substantial connectivity benefits and journey time savings between major urban centres (time savings provided by upgrades to the current network would be comparatively low – no more than 10-20 minutes at most). Further a High Speed Network would provide very significant capacity increases for long-distance travellers as well as releasing space on conventional networks for increased commuter and freight services.

### Key High Speed Rail Proposals

- Trains running at up to 360kph (225 mph).
- Ability to run up to 14 trains per hour initially.
- Total infrastructure cost of London to Birmingham route £15.8 to £17.4bn.
- Development of the complete Y network anticipated to cost £30 billion.
- 400m long European trains with capacity of up to 1100 seats.
- Potential to create 10,000 jobs.
- Travel time between Birmingham City Centre and London will be cut from 1 hour 24 minutes to 49 minutes.

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- Travel time between Manchester and London will be cut from 2 hours 9 minutes to 1 hour and 20 minutes.
- A cost benefit ratio of 2:1.
- High Speed Two would release capacity on the West Coast Main Line, enhancing commuter, suburban and freight services.
- That the initial core 'Y' high speed network would include connections onto existing tracks, including the West and East Coast Main Lines, so that direct high speed train services could be operated from the outset to other cities including Glasgow, Edinburgh, Newcastle and Liverpool.

### Route

The report suggests that ultimately a core High Speed Network should link London to Birmingham, Manchester, the East Midlands, Sheffield and Leeds, in a Y-shaped network of around 335 miles. Completion of this route would be anticipated to bring the West Midlands within about half an hour of London, and deliver journey times of around 75 minutes from Leeds, Sheffield and Manchester to the capital.

### Initial Reaction and Comments

#### Conservatives

The Conservatives support the principle of High Speed Rail, however they question the lack of a direct station to Heathrow suggesting that: "In leaving Heathrow out and setting out plans that don't give costed, timetabled and watertight guarantees to take the line north of the Midlands, Labour plans are flawed by a lack of credibility. If we are to see the full environmental benefits of HSR, it's crucial we make it as easy as possible for people to switch from the plane to train."

#### British Chambers of Commerce Position

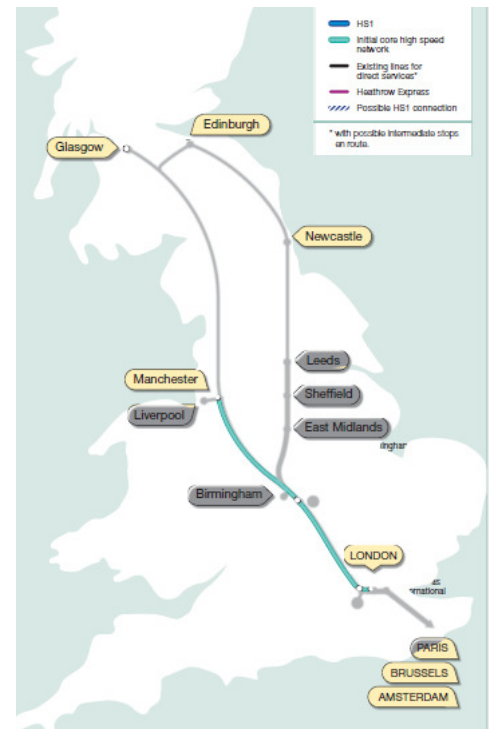
BCC also highlighted their support for the scheme, with Director General David Frost commenting that; "Continued investment in Britain's transport infrastructure will underpin economic growth, support business in driving recovery and create jobs". In sounding an air of caution however, David Frost warned that 'with public finances in such a poor state, the budget for this important project needs to be carefully considered. High-speed rail is a long-term investment but it cannot be built at the expense of the current rail network.'

#### GWE Business West Reaction

We join BCC in supporting the principle of a High Speed Rail network. Whilst the provision of this piece of infrastructure is long overdue, it will support continued economic growth and substantially improve connectivity between Core Cities and the European market. We are concerned however that the current proposed scheme does not include any route to service Bristol, South Wales or the South West of England. Without this provision, there is a danger that the West of England together with South Wales could see a net decline in employment and productivity growth, as businesses gravitate towards those cities directly serviced by the proposed route.

The HSR command paper can be found here –

<http://www.dft.gov.uk/pgr/rail/pi/highspeedrail/commandpaper/pdf/cmdpaper.pdf>



## **PPS1 - PLANNING POLICY STATEMENT ON CLIMATE CHANGE**

The publication of the *'Planning and Climate Change'* supplement to PPS1 placed tackling climate change at the heart of planning. Building upon this publication, the Government has released a new supplementary consultation draft for PPS1 titled *'Planning for a Low Carbon Future in a Changing Climate'*.

In bringing together and updating the existing PPS1 supplement *'Planning and Climate Change'*, PPS 22 *'Renewable Energy'* and the overarching objectives of PPS25 *'Development and Flood Risk'*, the document recognises a raft of recent legislation and policy (i.e. *'The Energy Act 2008'* and *'The Climate Change Act 2008'*) which affects both planning, and the policies that underpin plan-making and development management.

The intent of the document is to help secure progress against the UK's emissions targets, by both direct influence and encouraging action from others. This is set out through a planning framework which seeks to:

- Drive progress against the UK's targets to cut greenhouse gas emissions;
- Use more renewable and low carbon energy; and
- Plan for the effects of climate change.

Whilst the consultation draft anticipates that planning will continue to provide for the development needs of the community, contribute to housing supply and support economic growth, there is a need for the profession to respond to the government's central challenge of tackling climate change. Through its ability to influence the location, scale, mix and character of development, it is anticipated that planning will make a significant contribution towards both mitigating and adapting to climate change, considered to be the greatest long-term challenge facing the world today.

### **Objectives of the PPS**

- To ensure new developments are built in the right places, so that where people live and work helps secure radical cuts in greenhouse gas emissions and that developments are resilient to the effects of our changing climate.
- All planning strategies, and decisions must reflect the Government's ambition to help business and communities build a low carbon future and prepare for the impacts of climate change.
- Reduce peoples need to travel between where they live and work.
- Encourage the installation of electric car charging points.
- Better public transport and improved walking and cycling links.

### **Part of a wider agenda**

The publication of the draft PPS supplement on climate change complements a range of other Government policies and incentives including:

- A new planning policy statement on managing coastal change.
- A £10m fund to provide help with master planning new settlements under the Governments eco-towns programme.
- A draft PPS on the natural and healthy environment.

Together, these measures aim to provide tougher guidelines for planning, which reflect the latest targets and thus ensure that councils put combating climate change at the heart of future development. The subsequent "green planning rulebook" these measures will provide, is anticipated to ensure new sustainable developments are planned and built with the aim of reducing carbon emissions and with the future climate in mind.

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Hailed by the Town & Country Planning Association as “one of the most significant steps forward in spatial planning” consultation on the Planning Policy Statement: *‘Planning for a Low Carbon Future in a Changing Climate’* runs over a 12-week period until 1 June.

The consultation draft of the PPS *‘Planning for a Low Carbon Future in a Changing Climate’* can be found here: <http://www.communities.gov.uk/documents/planningandbuilding/pdf/1499780.pdf>

### PPS4 - PLANNING POLICY STATEMENT ON ECONOMIC DEVELOPMENT

The proposed PPS4 brings together four key existing national planning documents, PPG4\5 and PPS6\7 into a single streamlined statement on economic development, adopting a style similar to that of a development plan policy (i.e short and succinct). Principally the PPS intends to;

- Improve effectiveness of town centres policy in PPS6.
- Refresh policies for economic development by revising PPG4.

Whilst it is not considered that there is anything fundamentally wrong with PPG4, it has been recognised that the current guidance does not carry the effectiveness it once did. Equally there is a need for national economic policy to acknowledge recent economic reviews including;

- Matthew Taylor review which recommended a more positive approach to rural economic development
- Killian Pretty Review which recommended national policy should be streamlined and focused onto the needs of the user.

Further, there is a need for national economic policy to consider an approach towards managing an economic recovery following the recent recession. Whilst it is recognised that alone PPS4 will not solve all these problems, a key objective of the document will be to create the right conditions to support economic recovery.

A consultation draft of the proposed PPS4 was put out in May 2009 and whilst there was general agreement concerning issues of sustainable economic growth and maintaining a town centres first policy, concern was raised that the draft did not bring town centre and economic development policy together effectively into a seamless narrative. Equally it was thought that a structured evidence base was missing.

The following economic development policies are put forward in the emerging PPS4;

- There is an overarching objective for “sustainable economic growth”.
- A push for sustainable development should be consistent with the approach advocated in PPS1. Climate Change should no longer be viewed as a bolt-on.
- Regions and local authorities should be proactive in developing a robust economic evidence base, working equally with upper tier authorities in preparing Local Economic Assessments.
- There is a new RSS requirement to set job targets at a local authority level.
- The draft PPS asks for a good supply of land which addresses business needs whilst being flexible enough to respond to changing market conditions, including new sectoral requirements.
- Local authorities to set local maximum car parking standards.
- Encouraging mixed-use development and strong emphasis on planned regeneration.

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### GWE Business West Comment:

- There is little mention of industrial or distribution land in the PPS.
- The approach advocated in the PPS does little to assist the regeneration agenda.
- The PPS promotes town centres and retail at the expense of jobs and regeneration.
- With regard to smaller businesses the prescriptive one size fits all approach does not assist in creating diversity. Thus there should be a selection of options available.

The full document is available on the Communities and Local Government website:

<http://www.communities.gov.uk/publications/planningandbuilding/planningpolicystatement4>

### **CONSERVATIVE POLICY - OPEN SOURCE PLANNING GREEN PAPER 2010**

The Conservative Party has finally unveiled its plans to reform England's "broken" planning system and have described this as "one of the biggest shifts in power for decades". The planning system is seen as vital for a strong economy, for an attractive and sustainable environment, and for a successful democracy. But the current system achieves none of these goals – it is broken, according to the Conservatives.

The Green Paper - 'Open Source Planning', outlines proposals to use 'open source democracy' and neighbourhood involvement to encourage sustainable development. Whitehall targets and unelected quangos will be scrapped, to be replaced with a democratic system for national infrastructure and incentives to promote local homes and jobs.

Three key tenets underpin the plans for this new system:

- Restore democratic and local control over the planning system
- Rebalance the system in favour of sustainable development
- Produce a simpler, quicker, cheaper and less bureaucratic planning system.

### **Key proposals in the paper include:**

- Abolition of the regional planning tier, including regional spatial strategies, regional planning bodies and national and regional building targets and a focus on local plans.
- Councils would be offered financial incentives to build new homes: they would be able to keep a proportion of the council tax paid by residents of new homes.
- The Tories would make it a guiding principle of the planning system "that there is a presumption in favour of sustainable development".
- Community Infrastructure Levy would be scrapped and replaced with a "single unified local tariff" applicable to all residential and non-residential development.
- National planning quango the Infrastructure Planning Commission would be abolished, "while retaining its expertise and fast-track process".

### GWE Business West Comment:

- Concern over lack of sub regional planning – nothing between local plans and a national planning framework, potential for reduced collaboration and lack of coordination across local authority boundaries
- Concern over lack of guidance on house building and growth figures, leaving this to the local level will produce different results in different areas, has serious danger of "Nimbyism" winning out and increased gaps between demand and supply of houses

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- Agree and support the presumption in favour of development and the simplification of the system of approvals
- Agree with the simplification of the planning obligations system and the use of a single local tariff for development, agreed locally.

The full document is available on the Conservative Party website:  
<http://news.bbc.co.uk/sport1/hi/cricket/england/8578682.stm>

### **NATIONAL PORTS STRATEGY – Transport Select Committee Update**

It is anticipated that adoption of a National Policy Statement for Ports, currently being developed by the Department for Transport, will help to determine how proposals to build new port facilities are to be decided upon by the new Infrastructure Planning Commission. Following a consultation on a draft of the strategy, the Transport Select Committee has argued that the statement is not fit for purpose, arguing that the strategy should not be finalised until;

- Clear parallels and co-ordination is made between the ports strategy and policies for national road and rail networks.
- There are better links with regional and spatial plans.
- It is also suggested that there needs to be better links between the ports strategy and those Government policies which look to overcome economic disparities. Indeed the strategy currently dictates that the free market should decide where ports are located which could, the TSC argues, exacerbate economic disparities.
- A better process of consultation has taken place.

Other criticisms of the strategy include;

- It is argued that the evidence base is weak and does not factor into it a consideration of the effects of the recession.
- The draft policy fails to justify the need for any new ports.
- There is no consideration of the impacts on existing ports, improvements to which may be a better option than building new ports.

Indeed where there is currently no port developments proposed, or currently being considered by the IPC, the Transport Select Committee does not see a need to rush for adoption of a ports strategy.

The TCPA further criticises the ports statement commenting that “the future patterns of port development will be vital in dealing with the north south divide and cannot be solely left to the market.”

A full copy of the consultation document available on the DfT website:  
<http://www.dft.gov.uk/consultations/closed/portsnps/consultation.pdf>

## **PARTNERSHIPS FOR GROWTH – Government Economic Policy 2009**

Partnerships for Growth – A national framework for regional and local economic development, was published in December 2009.

The report sets out:

1. The Government's priorities for cross-cutting policies identified in *New Industry New Jobs* such as skills, innovation, infrastructure and finance;
2. Priorities for interventions in key sectors such as low carbon, life sciences, Digital Britain and advanced manufacturing; and
3. How national, regional and local levels need to work together to support these priorities and ensure effective economic growth.

The Government has an economic objective to raise the rate of sustainable economic growth, with all nations, regions, localities and neighbourhoods performing to their full economic potential. The Government also has specific objectives to increase employment, to increase the economic performance of all English regions and reduce the gap in growth rates between regions.

These objectives are reflected in Public Service Agreements (PSAs), including:

- PSA 1: Raise the productivity of the UK economy;
- PSA 7: Improve the economic performance of all English regions and reduce the gap in economic growth rates between regions; and
- PSA 8: Maximise employment opportunity for all.

Effective support for economic growth will be essential so that business can thrive and everybody has the opportunity for employment. The Government's approach, set out in *New Industry New Jobs* earlier this year, has three distinct strands: effective delivery of policies on issues such as skills, innovation, infrastructure and finance; better use of the Government's role as a regulator and customer; and targeted interventions in sectors and markets where there are opportunities to release constrained potential.

Current key sectors include:

- Digital economy
- Creative economy
- Low carbon technologies
- Advanced manufacturing
- Life sciences

All levels of government will need to work together to support this approach so that we have the greatest possible impact and make best use of the resources available. But the responsibilities of each tier need to be clear, and be based on the added value that each level can bring. For example, the national level is best placed to deal with issues of competition and coordination of finance and business support. City regions and local authorities have important roles in ensuring that the local business environment supports investment and that people are able to take advantage of employment opportunities.

The regional tier has a pivotal role to play in joining up national and local priorities. The Government will work with the RDAs to ensure that there is a coordinated approach to support for national priorities. The RDAs will also be expected to look beyond their own regions and take account of national as well as regional impacts from their investments. And the new Regional

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Strategies, developed jointly by the RDAs and the regional local authority Leaders' Boards, will set out the priorities for each region, bringing together objectives for economic development, housing and climate change.

Britain's success in achieving this will be measured not just in its aggregate performance as a country, but in ensuring that economic and jobs growth reaches into all of Britain's regions and localities, with each place performing to its full economic potential. Partnerships for Growth sets out how the Government expects English Regional Development Agencies (RDAs), local authorities and other public sector agencies to collaborate and align their resources to deliver these objectives.

The Government will work with the RDAs to encourage this new approach, and will drive alignment in delivery at national, regional and local levels. Every other delivery partner will need to play their part, focusing on the things that they are best placed to do, and working with others to ensure that businesses and people get the help they need to prosper. The task is critical to our future economy and society and the Government will work with business, local authorities and all those involved in economic development to ensure success.

Regional and local strategies should consider key economic policies including:

- **Skills**, where RDAs will in future work with the local authority Leaders' Boards, sub-regional partnerships and further education providers, to articulate business demand in a regional skills strategy;
- **Innovation**, where RDAs will help bring universities and businesses together to collaborate and will channel resources into support for pre commercial technologies and local science and innovation working closely with bodies like the Technology Strategy Board;
- **Employment**, where regional, city and local action can boost job opportunities and provide the effective transport links, the accessible child care, and other support on the ground to help people get into, and progress, in work;
- **Infrastructure**, where clarity from regional, city, and local partners can provide the certainty businesses need to make the long-term investments in transport, utilities, broadband networks, and housing which underpin growth;
- **Finance for growth**, where RDAs will support the effective and coherent investment of public-private funds such as the Innovation Investment Fund;
- **Potential growth sectors**, where regions, cities and localities should work to remove barriers to growth for key sectors in their areas.

A full copy of the report is available on the BIS website:

<http://bis.gov.uk/policies/regional-economic-development/partnerships-growth>

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### WHAT WILL THE ELECTION BRING FOR UK CITIES

A recent report by the Centre for Cities provides a good summary of key issues relating to cities and what each of the main political parties have to say.

What the Political Parties Think	What Centre for Cities Think
<p><b>Governance</b></p> <ul style="list-style-type: none"> <li>▪ The government is committed to RDAs, with sub-regions operating within this framework</li> <li>▪ The Conservatives and Liberal Democrats advocate giving more power to local communities</li> <li>▪ The Conservatives have proposed Local Enterprise Partnerships – groups of Authorities, to take over from RDAs, and elected mayors in England's 12 largest cities</li> </ul>	<ul style="list-style-type: none"> <li>▪ City regional governance would deliver more effective outcomes for the UK's major cities</li> <li>▪ RDAs functions should be tested for their effectiveness and allocated to the most appropriate spatial level</li> <li>▪ Metro Mayors should be introduced in the 4 biggest city regions outside London</li> </ul>
<p><b>Skills</b></p> <ul style="list-style-type: none"> <li>▪ There is widespread agreement that the UK needs a better skills profile</li> <li>▪ The Government's plans rely on targeted support to key growth sectors, RDA-led Regional Skills Strategies and clearer personal incentives</li> <li>▪ All parties support a simplification of the skills system – the Conservatives are calling for the number of quangos to be reduced to 3</li> </ul>	<ul style="list-style-type: none"> <li>▪ The next Government should cut back the number of skills quangos</li> <li>▪ Cities should be given more power over skills and training budgets, using sub-regional structures like Employment and Skills Boards</li> <li>▪ Further Education colleges should be financially incentivised to improve skills provision in local economies</li> </ul>
<p><b>Transport</b></p> <ul style="list-style-type: none"> <li>▪ Transport investment is at risk as the next Government cuts spending</li> <li>▪ All parties are committed to High Speed Rail – but this won't be started until 2017 at the earliest</li> <li>▪ Debate continues on how best to promote greener travel and reduce congestion</li> </ul>	<ul style="list-style-type: none"> <li>▪ Cutting transport investment would damage growth prospects</li> <li>▪ It is not just about long-term big ticket projects – smaller scale investments in cities are also important</li> <li>▪ A national road pricing scheme should be introduced to boost transport budgets, and transport budgets should be devolved to city regions</li> </ul>
<p><b>Housing</b></p> <ul style="list-style-type: none"> <li>▪ All parties recognise the need to build more houses. The Government has a top-down approach, delivered by the HCA.</li> <li>▪ The Conservatives and Liberal Democrats call for more control to be given to local communities</li> <li>▪ The Conservatives want to incentivise housebuilding by matching the increase in council tax for six years</li> </ul>	<ul style="list-style-type: none"> <li>▪ Britain's cities need more houses, but national targets haven't worked and it is unclear whether Opposition proposals carry sufficient incentive</li> <li>▪ The next Government needs to radically incentivise housebuilding in growing cities – one way would be using land auctions to capture planning value for local communities</li> </ul>

## **CITIES OUTLOOK 2010**

This annual report produced by the Centre for Cities, outlines key performance statistics in relation to Core Cities and other cities in the UK. Below is a summary of the key points raised in relation to Bristol, Swindon and Gloucester.

A snapshot of some of the key tables that Bristol features in:

- 8<sup>th</sup> in table of cities with lowest youth unemployment
- 8<sup>th</sup> in table on employment in knowledge intensive businesses
- Don't feature in the top 10 of high skilled cities (% working age with NVQ4)
- 2<sup>nd</sup> only to Canary Wharf in terms of GVA per capita
- 7<sup>th</sup> in table of economic containment in MAA areas
- 8<sup>th</sup> fastest growing city in the country
- Bristol has the highest employment rate of all major UK cities 77.8%
- 5<sup>th</sup> in top cities earnings per week but in the bottom 10 cities in relation to earnings growth

A snapshot of some of the key tables that Swindon features in:

- 7<sup>th</sup> fastest growing city in the country
- 3<sup>rd</sup> highest employment rate of all UK cities 80.1%
- In bottom 10 for lowest private sector jobs growth
- In bottom 10 cities for highest per capita emissions of CO<sub>2</sub>

A snapshot of some of the key tables that Gloucester features in:

- High vulnerability in second wave recession, with public sector spending cuts
- In bottom 10 cities for employment growth
- In bottom 10 cities for private sector jobs growth
- In bottom 10 cities in terms of earnings growth
- In top 10 cities with lowest % of low skills
- In top 10 cities for lowest per capita CO<sub>2</sub> emissions

The full report is available on the Centre for Cities website - <http://www.centreforcities.org/>