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Planning for transport in the wake of Stern and Eddington

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Abstract

The recent Stern and Eddington reports for the UK Treasury emphasise the significance of the linkages between transport, landuse, the environment and the economy. Against that background, the purpose of this paper is to consider the future of transport planning in England given the liberalising thrust of the Barker Review on land use planning and the subsequent White Paper *Planning for a Sustainable Future*. In reviewing the demographic and economic assumptions of the White Paper, we conclude that in certain respects there are important mismatches between the emerging government policy on strategic planning and the Stern and Eddington Reports.

Keywords

Transport; planning; sustainability; land use.

Iain Docherty and Peter Mackie 基于Stern 及Eddington ▪ 告的交通 ▪ 划，区域研究。日前Stern 和Eddington在提交 ▪ 英国 ▪ 政部的 ▪ 告中 ▪ ▪ 了交通、土地利用、 ▪ 境以及 ▪ ▪ ▪ 系的重要性。基于上述背景，本文的目的在于，在（政府）力推土地利用 ▪ 划的 “Barker Review”及随后的 “可持 ▪ 的未来 ▪ 划白皮 ▪ ”背景下考 ▪ 英国交通 ▪ 划的前景。在回 ▪ 了白皮 ▪ 中 ▪ 于人口以及 ▪ ▪ 的相 ▪ 假 ▪ 后，我 ▪ ▪ ▪ ，政府 ▪ 略 ▪ 划政策与Stern 及Eddington ▪ 告 ▪ 在某些 ▪ 面上存在不符。

交通 ▪ 划 可持 ▪ 性 土地利用

Planifier le transport à la suite des rapports de Stern et d’Eddington

Les récents rapports Stern et Eddington, rédigés au nom du ministère des Finances au Royaume-Uni, soulignent l’importance des liens qui existent entre le transport, l’occupation du sol, l’environnement et l’économie. Sur un tel fond, cet article cherche à considérer le futur de la planification du transport en Angleterre étant donné l’impulsion libéralisée donnée par la *Barker Review* sur l’occupation du sol et vu le projet de loi ultérieur *Planifier un avenir durable*. En faisant la critique des suppositions démographiques et économiques du projet de loi, on conclut qu’il y a à certains égards d’importantes disparités entre la politique gouvernementale sur la planification stratégique et les rapports Stern et Eddington.

Transport / Planification / Avenir durable / Occupation du sol

Verkehrsplanung im Anschluss an Stern und Eddington

Abstract
In den jüngsten Berichten von Stern und Eddington für das britische Finanzministerium wird die Bedeutung der Verknüpfungen zwischen Verkehr, Landnutzung, Umwelt und Wirtschaft betont. Vor diesem Hintergrund soll mit diesem Beitrag die Zukunft der Verkehrsplanung in England untersucht werden, insbesondere im Hinblick auf die Liberalisierungsbemühungen im Barker-Gutachten zur Planung der Landnutzung sowie in der anschließendem Weißbuchplanung für nachhaltige Zukunft. Nach einer Überprüfung der demografischen und wirtschaftlichen Annahmen des Weißbuchs ziehen wir den Schluss, dass die entstehende Regierungspolitik zur strategischen Planung hinsichtlich bestimmter Aspekte erheblich von Sterns und Eddingtons Berichten abweicht.

Keywords
Verkehr
Planung
Nachhaltigkeit
Landnutzung

Planificación para el transporte tras Stern y Eddington

Abstract
En los recientes informes de Stern y Eddington para el Ministerio de Hacienda del Reino Unido se pone de relieve la importancia de los vínculos entre transporte, uso del suelo, medio ambiente y economía. Con estos datos, en este artículo analizamos el futuro de la planificación del transporte en Inglaterra, teniendo en cuenta el empuje liberal del Informe Barker sobre la planificación del uso del suelo y la posterior Planificación del Libro Blanco para un Futuro Sostenible. Al revisar las hipótesis demográficas y económicas del Libro Blanco, concluimos que en ciertos aspectos existen importantes incompatibilidades entre la nueva política gubernamental sobre la planificación estratégica y los Informes de Stern y Eddington.

Keywords
Transporte
Planificación
Sostenibilidad
Uso del suelo

JEL codes

Q58 Government Policy

R11 Regional Economic Activity: Growth, Development, and Changes

R48 Government Policies; Regulatory Policies

R52 Land Use and Other Regulations

Introduction

Two independent reviews for HM Treasury published in late 2006, the Stern Review on the Economics of Climate Change and the Eddington Transport Study respectively, significantly shifted the terms of the transport policy debate. Stern negotiated a path through the often-heated exchanges on the economic impacts of climate change, identifying critical changes to policy needed to move towards a low carbon economy. Arguing that action needs to be taken now, given the long lead-in times before benefits materialize, Stern estimated that tackling climate change now would cost 1% of global GDP per year, compared to losing 5% of global GDP per year by 2050 if no action were taken.

One of the more controversial of Stern's recommendations was that early emissions reductions, should not come generally from transport, but from elsewhere – notably industry and the housing stock – where they can be "bought" more cost-effectively. The report concludes that a more meaningful transport contribution to the target of 60% reduction in carbon emissions by 2050 should come in the second half of the period. While precise answers on marginal abatement costs within and between sectors must await the work of the Climate Change Commission, Stern acknowledges that strong price signals and technological improvements need to be locked in early, otherwise there will be a very large gap indeed between 'business as usual' and 'efficient contribution' scenarios.

The Eddington Study focused on transport's role in supporting the economy, particularly the urban economy where recent growth has been strongest (PARKINSON *et al.*,

2004). The report argues that transport supports clusters and agglomerations of economic activity, expanding labour market catchment areas, improving job matching, increasing labour market flexibility and facilitating business-to-business interaction. Eddington argued that transport's contribution to these lubricating mechanisms is most significant within large high productivity urban areas, and he therefore advocated a re-ordering of transport sector priorities in favour of the major city regions, and cautioned against speculative investment to try to inspire such growth in other areas (DOCHERTY *et al.*, 2008).

In terms of policy development and implementation, in one of the report's widely-quoted (and somewhat ambitious) passages, Eddington recommended that government adopt a "sophisticated policy mix" of infrastructure investment, making better use of existing infrastructure, and incorporating better estimation of externalities – especially agglomeration benefits – into project appraisal. He also recommended caution with respect to untested technologies, and advised that large, speculative schemes were unlikely to be priorities since there is little convincing evidence that transport can fundamentally reorder the geography of the economy. In light of this, the study drew attention to the relatively high benefit:cost ratios attached to transport schemes and showed that smaller schemes (less than £1bn) tended to offer the highest returns.

These influential studies, though coming from different perspectives, share some common features. Both stress the importance of the external effects of transport decisions —environmental (Stern) and classic external economies (Eddington). Also

apparent, particularly in Eddington, is the interplay between transport and spatial organisation. Given the uncertainty over whether low carbon vehicles (such as hydrogen-powered “eco-cars” (BANISTER, 2000)) will become commonplace in the medium term, it is reasonable to conjecture that a substantial part of the burden of transport sector adjustment to a lower carbon future will turn out to be borne through spatial and behavioural change, relating to where our homes, workplaces, education, health, shopping and leisure activities are located, rather than (just) how we travel between fixed locations.

Faced with such a scenario, a purist economist might say ‘Get the prices right and the responses will look after themselves’. Price is an important instrument, but in the presence of myriad economic, environmental and social externalities, the concept of the setting the ‘right’ price for an intermediate good such as transport is an extremely complex one. Moreover, there are numerous political and practical difficulties in relying mainly on pricing for demand management, as has been illustrated by the Government’s at best lukewarm position on network road user charging in its response to Eddington (DEPARTMENT FOR TRANSPORT (DfT), 2007).

Our reading of the Stern and Eddington reports is therefore that they imply a need for an enhanced and more interventionist planning system to act as a (partial) surrogate for pricing, and to buttress market forces in the early stages of Stern’s graduated approach to reducing emissions. Continued investment in transport infrastructure will be required to resolve (or at least remediate) particularly acute congestion or capacity problems that

are spatially or temporally concentrated in their nature. Some sort of demand management will be necessary if any meaningful degree of sustainability is to be attained, since technology alone will not solve the problem.

Against this background it is interesting to consider the stance taken by another of the Treasury's independent reviews - the Barker Review of Land Use Planning (2006), and the Department for Communities and Local Government's (DCLG) subsequent Planning White Paper, *Planning for a Sustainable Future* (DCLG, 2007). The Barker Review of Planning was commissioned in 2005 by the then Chancellor and Deputy Prime Minister to consider how planning policy might help deliver better economic growth and national competitiveness in the context of unfolding globalisation. One of the Review's main recommendations – that the planning system needs to be streamlined in operational terms, so that there is better proportionality in terms of the bureaucracy associated with different kinds of development – is largely uncontroversial.

Barker's second set of recommendations has generated much more critique and debate, however. The Review's proposals that strategic land use policy be liberalised, in particular that the 'needs' test for commercial development be removed, risk making it much more difficult to develop settlement patterns and urban forms that reduce the need to travel, and which can be easily served by public transport (COMMISSION FOR INTEGRATED TRANSPORT (CfIT, 2006). Indeed, Kate Barker herself admitted that she has since "rethought" this aspect of her report in the light of these criticisms (NIVEN, 2007).

Planning For a Sustainable Future is strongly influenced by Barker, setting out a range of proposals to streamline the planning process in England, and to move it towards a more proactive, development-enabling mindset. Published in May 2007, the White Paper is in the vanguard of the 'new' agenda for the future strategic planning and development policy. Strongly focused on the idea that the planning system can be a proactive tool to stimulate and manage sustainable economic growth, the White Paper is rooted in the established competitiveness paradigm (BEGG, 2001), and seeks to rationalise how enhanced economic growth can be achieved in an era of (significantly) reduced carbon emissions.

However, we are concerned that there is a disconnect between Barker's original report and the subsequent White Paper with their deregulatory flavour, and the Stern and Eddington Reviews which propose a range of 'smarter' market interventions to tackle difficult transport policy problems. The purpose of this article is therefore to explore this apparent contradiction between different strands of top-level government strategic thinking, and to outline how these might be mediated. We focus on England because the majority of the proposals in the Planning White Paper relate to this jurisdiction[i], planning being a wholly devolved matter in Scotland and Northern Ireland. (For more on the different trajectories of planning and related policies such as transport, see MACKINNON *et al.*, 2008).

In the next section of the paper, we discuss the demographic and spatial forecasts and assumptions used in the planning White Paper and their consequences for land use planning and transport. We then turn to the micro-level question of the criteria for planning approval/consent, and how these might impact on the inherent sustainability of future places, before going on to discuss the proposed changes to the planning system itself as it relates to transport. Finally, we attempt a synthesis of the issues raised, noting some important implications for public policy.

Macro-economic and demographic assumptions

The planning White Paper adopts a particular outlook on the future, especially long-range economic and demographic trends, of which the most important are growing population, increased levels of GDP per capita, reduced average household size, and continued net migration for the north to the south of the UK. Alternative futures such as those with different politico-socio-economic drivers, or in which emissions reduction takes even higher policy priority are not addressed in any meaningful way. It is this 'locking-in' of the planning agenda to a particular future scenario based on a set of trend forecasts that poses the biggest challenge for transport since implementing effective transport policies to support a sustainable economy within a 'business as usual' spatial strategy might be very difficult indeed. There are several policy questions arising from this, which in our view, are not answered by Barker and the White Paper and require further examination.

Is the predict-and-provide approach to housing growth compatible with the looming realities of carbon constraint and climate change?

Perhaps the single most important set of (implicit) assumptions in the White Paper is that the current macro-level trends in terms of the geographical structure of the English/UK economy will continue (or indeed, accelerate). These assumptions can be summarised thus:

- There will continue to be a significant net increase in England's total population with net international in-migration a significant component of this;

- Net north-south movements in population will continue, especially in response to increasing demand for labour in the south;

- Household structure will continue to change, with a reduction in the average size of households, and hence an increase in the overall number of households in the country (see Table 1 below).

<< Table 1 here >>

These assumptions represent a clear read across from Barker in terms of the presumed future demand for land and especially housing, since the key aim of the White Paper is to make the release of development land 'easier' by relaxing planning consent criteria and shaking up the bureaucracy of the planning system so that the land market

becomes more responsive to demand. However, this risks something of a 'predict and provide' approach to strategic planning, since the White Paper simply takes the previous government forecasts used by Barker and looks at the way in which these might be implemented, without challenging the forecasts themselves.

The first key issue to emerge from this analysis is therefore the importance of active versus passive policymaking. The White Paper relies on the forecasts used by Barker, and does not pose the critical questions of whether current trends are inevitable or desirable, and whether policy might seeks to intervene to change these trends. This is especially important given Stern's call for precisely this kind of active approach to significantly influence the future level of carbon emissions. Key factors at play behind these questions (see WENBAN-SMITH, 2006) include the marginal social overhead capital costs (electricity, transport, water) in different locations; the availability of suitable land and the extent of the engineering required to release it (flood protection etc.); the real extent of the agglomeration economies (explored at length in the research annexes to the Eddington report – see GRAHAM, 2006); and the wider social benefit:cost implications benefit of (re)locating hundreds of thousands of people in the London commuter belt versus the north/west midlands.

The White Paper's assumptions suggest that regional policy – strategic planning of how the level of economic activity and population should be distributed between regions – will remain an important area for debate in England, especially given the significant differentials in economic performance between regions (Figure 1). The UK

Government's view can be characterised as the belief that regional policy is at best a zero sum game in which public resources are used to redistribute growth rather than increasing the level of growth of the country as a whole; indeed active decentralisation away from London and the south east might even put the future competitiveness of what SEEDA calls England's only "world class region" (MUSSON *et al.*, 2002) at risk. It is clear that the devolved administrations do not necessarily believe this to be the case, however – witness the Scottish Government's 'National Purpose' of raising Scotland's rate of economic growth to first match and then exceed that of the UK (SCOTTISH GOVERNMENT, 2007).

<<Figure 1 Here >>

Yet there are strategic spatial planning options open to the UK Government that provide an alternative approach to accommodating a resilient north-south divide in England (ATHEY *et al.*, 2007). Two more independent Treasury reviews, those of Lyons on local government (2003) and Gershon on the efficiency of public spending (2004) have noted the potential for decentralisation of government and public sector employment to stimulate economic growth in other core cities. Indeed, there has been a range of academic research arguing that it is necessary to embark on much more far reaching decentralisation than has been achieved to date if the north-south productivity gap is to be closed (see, for example, AMIN *et al.*, 2003; AMIN, 2004).

An important and as yet under-researched question is therefore 'what regional policy approach would most closely align strategic planning to the post Stern, world?' Evidence from elsewhere (see, for example, ROBSON AND DEAS (2001) for a comparison of the English and French experience of decentralisation) suggests that stronger regional centres could have an important role to play. Especially as London is experiencing a record exodus of people (CHAMPION, 2006), balanced only by strong (international) in-migration, the concerted building up of large regional cities in the midlands and north could be an important policy objective; at the very least this proposition should be tested, since the substantial recent regeneration activity in the larger cities provides potential to align planning objectives for the future with current market trends (JOHNSON *et al.*, 2007).

How do different strategies for accommodating growth compare in terms of their costs and benefits, e.g. marginal growth of existing towns or a few new cities?

Whatever decision is made about the top level distribution of jobs and people between regions, a second set of assumptions governs how settlements themselves should be planned to accommodate growth. One of the key areas of mismatch between the planning White Paper and the Barker analysis on which it is largely based is urban deconcentration. Barring very significant changes in the price of energy (which is possible), the more liberal land markets assumed by the White Paper will almost inevitably encourage the deconcentration of development, given the realities of land supply and the fact that brownfield land is generally more expensive to remediate. Eddington and Stern, on the other hand, both argue for reintensification of development;

Eddington from the economic viewpoint that economies of agglomeration are becoming more important, and that the impacts of transport investment higher in large agglomerations (GRAHAM, 2006); whilst Stern's broader outlooks reflects previous policies on reducing the need to travel through higher density of population and economic activity.

This apparent mismatch leads us to identify a second set of assumptions implicit in the White Paper, this time concerning links between transport and the economy:

- that transport intensity in the economy, i.e. person km per unit GVA growth, will stay around its stable historic level of approximately 1:1;

- therefore that the total demand for travel will not be decoupled from economic growth, and so overall transport demand will continue to rise, and even accelerate should long term economic growth increase.

Clearly, these two positions are at odds with Stern (barring a transformation away from carbon-dependent transport technology – see BANISTER (2000) for one such scenario), and potentially at odds with Eddington's recommendations assuming that increased travel demand cannot be met by expanded transport capacity. They also (again) fail to recognise a number of important changes in these relationships that could emerge either from external factor conditions, or from policy interventions. As well as significantly higher energy prices, other external factors could include the longer term

impact of ICT on location and transport choices, the changing structure of the labour market in terms of the proportion of full time, single location jobs; the overall number of economically active people, and the changing travel demands of an ageing population.

It is the mix of these factors that will determine which type of settlement form and urban hierarchy is the most transport- and energy efficient in future. There has been substantial debate about the 'best' form of urban structure, with most attention focused on Peter Hall's notion of a 'dispersed concentration' model of intensified towns located on key growth corridors to/from London, or the other largest cities. However, this idea is relatively old (it has its roots in the new towns movement and, at a larger scale, the growth poles strategy for Greater Paris in the 1960s and 70s), and therefore is based on a set of assumptions focused on the 20th century economy. In his most recent work, Peter Hall himself notes that it is time to update the idea according to the imperative of addressing emissions and climate change (HALL, 2007), although other research has claimed the dispersed concentration might actually increase travel and energy consumption (HOLDEN AND NORLAND, 2005). There is clearly work to be done in updating the research base about the economic, transport and environmental performance of different settlement forms.

What are the relative benefits of (a) constraining existing urban boundaries with green belt and causing "leapfrogging" journeys and (b) extending the urban areas?

The planning White Paper itself claims that the government has "been able to achieve a substantial increase in new house building to help meet growing demand while minimising urban sprawl and maximising the use of brownfield land" through its 'town centres first approach'. Whilst maximising the reuse of brownfield land development is *generally* helpful in transport terms, since such land tends to be in reasonable proximity to existing infrastructure and economic nodes[ii], the degree of success attained is dependent on the wider spatial structure of the economy.

Reinvigorating town centres linked to the prioritisation of brownfield sites is one means of encouraging shorter journeys (especially) commuting and subsistence shopping, compared to developing the urban fringe. However, this traditional approach in itself relies on a number of assumed objectives, which may well be out of date given wider structural changes in the economy. Most important is the objective to enable people to live closer to their place of work in order to reduce the demand for commuting. Given the increasing churn in the labour market, even if people make a decision to locate near a particular job, this situation is increasingly less likely to last. This means that the traditional notion of 'self contained' communities, in which people can access all of the employment and other services that they consume regularly within a single settlement is illusory (BREHENY, 1995; 1999). Indeed, even less self-containment might be expected in future if the numbers of people holding more than one job, or engaged in activities that depend on complex patterns of face-to-face business interaction, continue to increase.

Notwithstanding changing labour market economics, the extent to which the compact city model of dense, mixed use places in which the demand for travel is minimised can be achieved in practice is contested. Even in London, with very high densities and agglomerations of people, jobs and transport links in the central core, it is the suburbs that are leading jobs and population growth. Therefore, strongly constraining the physical footprint of the city – whilst intuitively attractive in terms of its potential to reintensify land uses and help reduce the need for travel – does not in itself guarantee more transport and energy efficient organisation of the economy (ANDERSON *et al.*, 1996; BANISTER *et al.*, 1997; BREHENY, 1995). This uncertainty, amplified by the issues of long run energy prices, climate change and carbon reduction, suggests that some sort of scenario modelling is required to try and improve our understanding of the impacts of different settlement structures in practice.

An acid test of a pro-active transport planning policy could be the proposed High Speed Rail line from London to the north. It would be possible to view this narrowly, as a transport project. But, conceptually, such a line, as well as contributing to modal shift for long distance trips, *could* improve the combined economic performance of London, west midlands and the Transpennine region, provided that concerted property development and planning efforts are made in the provincial cities concerned to capture the benefits and avoid reinforcing economic activity in London (see VICKERMAN, 1997 and PUGA, 2002 for analysis of these competing outcomes; also BONNAFOUS, 1987 for more on these issues in the context of France). It could also provide, as a counterpart to Ebbsfleet, the trunk connector for a new city to the north west of London in the Bicester

– Milton Keynes corridor. It may be that radial commuting journeys into London become longer on average, 'leapfrogging' more of the green belt, but that other journeys in compact purpose-built centres might be shorter and/or by more sustainable modes in compensation, with a more sustainable energy consumption and emissions profile overall. A more holistic way of considering such opportunities is called for than the approach taken in the White Paper, and represents a further domain in which new research is urgently required (ROYAL TOWN PLANNING INSTITUTE 2007).

<< Figure 2 here>>

<< Figure 3 here>>

Criteria for planning approval

One of the pieces of mood music in the Barker report is the leaning towards 'positive planning'. According to the report, the planning system should not be asked to bear a disproportionate share of the overall burden of response to climate change; other policies such as pricing may be more efficient and effective. More generally, planning should be reformed so that it is

> 'based on the consideration of spillover effects, rather than trying to predict market demand. Planners should not be attempting to determine if there is sufficient 'need' for a given application – rather the applicant, who is bearing the

risks, should be responsible for assessing that likely demand is sufficient to make the development viable.'

(BARKER, 2006:7).

In a competitive market economy, such an approach might seem natural, but in practice a lot depends on interpretation. Consider first the case of a piece of privately provided transport infrastructure such as an airport development. It has been argued at inquiry on behalf of promoters, so far unsuccessfully, that market demand is of no concern to the planning system and that the terms of reference of the inquiry should be restricted to the external costs and benefits, that is, the spillovers. However, in our view, this is too restrictive an interpretation of the public interest. Firstly, there may be a national airports policy to consider with which the application may or may not be consistent. Secondly there may be issues of abstraction of traffic from other airports to consider. Thirdly, and most important, it may be impossible to judge the overall social advantage unless the benefits and costs to the airport, airline and traveller system are admitted in evidence. How are the spillovers from the infrastructure improvement to environmental impact to be assessed without robust evidence on the direct impacts? Overall, there is a lot to be said for planning decisions relating to transport infrastructure to be assessed on the basis of a comprehensive framework such as The New Approach to Appraisal (NATA), and not restricted to an analysis of the spillovers.

A second example concerns the proposed removal of the 'need' criterion from the local planning process. This creates one of the most apparent sources of tension between the Planning White Paper and the Stern and Eddington analyses. The Barker Report (para 1.32) says

> 'The town centre policy is – rightly – an important priority for Government. It helps to promote the vitality and viability of town centres which brings a number of benefits. It is therefore important to assess the potential impact on the town centre of new development proposed beyond its borders. The sequential and impact tests have rules to play here and should be maintained. But… it is not appropriate to turn down applications on the basis of there being no need.'

The virtues of the proposal are clear – promote retail competition, reduce margins and cut location rents (see para 1.36 and footnote 36). However, from a transport sector point of view there are some difficult issues to consider:

- Spillovers between developments and the highway system. Consider the case of a Highways Agency ring road around a town, with a proposal for development close to the junction between a main town radial and the ring road. While it is clear that no single Agency should be in the position of having a veto on the scheme, some important questions need to be addressed. Are the traffic congestion effects relevant spillovers for the inquiry? Should the HA/LA be permitted to recover the costs of increased congestion as well as the costs of

ancillary infrastructure through the relevant Section 52/106 agreements? Should an access charge regime be introduced? What should the compensation costs be, especially in the case where expanding road capacity is infeasible?

- Spillovers between the out of town development and the town centre. Plausibly, a new development will take market share from existing shops in some monopolistic competition type of way, with consequences for car users (does mean trip length rise or fall?) and for public transport users (does the town centre go into decline and what are their alternatives?).

The issues arising from these considerations are in a sense obvious, especially the core question of the extent to which it is the role of the planning system to look on a wider (Stern Report) basis with a longer timescale and a lower discount rate than commercial decision-makers would normally use. If the answer to this is 'yes' – and we would say that it is – further questions then arise. Should settlements therefore be designed in such a way that they anticipate a lower carbon future? Should significant development proposals be required to submit a carbon balance sheet and/or use the Government's shadow price of carbon (DEPARTMENT FOR THE ENVIRONMENT, FOOD AND RURAL AFFAIRS (DEFRA, 2007) Does the Barker notion of spillovers extend this far? Note that this would not necessarily exclude 'out of town' developments, but it would suggest the need for something more like a planning balance sheet or extended CBA assessment framework for major developments than is implied by Barker. In the

absence of full internalisation through compensation for spillovers, it is not possible to reach balanced decisions without considering the "value" of – as opposed to "need for" – the development. Aligning development incentives with the negotiation between these different objectives – in other words our best estimate of the overall public good – will become even more important in future if public capital for new infrastructure continues to be strongly rationed as has been the case in the UK for several decades, and as climate change and emissions reduction assume ever more important roles in broader policy. A carbon balance sheet approach would expose any proposed development to the acid test of whether it is merely redistributing existing activity to new locations as opposed to generating genuinely new, sustainable growth.

The underlying research question to all of this discussion is therefore – given the Stern agenda and recent Government statements, "what will the layout of (English) towns and cities need to look like in a low carbon future, and what supporting transport and planning measures will push the system in the right direction? To view the planning system as accounting for spillovers while otherwise validating what the market would predict and provide seems to us a rather simplistic and anachronistic concept: surely it is time to point out the deficiencies is arguments such as those made by Ikea UK that planning bureaucracy is "a barrier and not in consumers' interests" and that "retailers have different formats and concepts and regulations should be sympathetic to this" (Høgsted, 2006)?[iii].

The proposed changes to the planning process

The Barker Review also identifies a need for a clearer policy framework within which planning applications and consents for major infrastructure can move forward. It argues that the government should draw up a Statement of Strategic Objectives (SSO) for major infrastructure, which would, where appropriate and possible, be spatially specific and would provide a clearer spatial framework to aid decision-making for major infrastructure. An independent Planning Commission would be charged with assessing applications against this strategic framework alongside other considerations such as local impacts. The Planning Commission would in effect combine the functions of the Public Inquiry (or Parliamentary Bill procedure) and the Secretary of State's decision stage for projects of national importance. There would be no change at this point to Ministerial powers to call in and decide appeals from local Planning Inquiries.

The proposals, which effectively split the planning processes for major infrastructure developments into two stages – the SSO stage and the Planning Commission stage – could work well for the largest projects, such as new airport runways and terminals, deep water ports or high speed rail lines. The SSO stage would incorporate public consultation and (if a project were successful) culminate in a Statement certifying the national need for a project, and probably that the need is best met by a particular project option; this process is very similar to the French concept of the Déclaration d'Utilité Publique (Declaration of Public Need) upon which policy makers in the UK have often looked jealously given its track record in streamlining the development process for major infrastructure schemes such as the network of TGV lines.

Despite its immediate attractions, there remain many issues to be resolved about how such a system would operate, especially around the rules of evidence and representation, the transparency with which the Statement was determined and whether the Statement would be open to Parliamentary scrutiny. These, and other question marks of the composition, operation and powers of the Planning Commission, highlight the fundamental issue of the legitimacy of the new system. Would a Ministerially appointed quango be seen as genuinely independent? Under what circumstances could the Planning Commission reject a scheme? Should not elected government ministers retain unambiguous final determination on planning matters? The Barker Report refers to the case in which the local costs are found to outweigh the national benefits, but could not the Commission discover new facts relating to the national case? Could it decide that Ministers had mis-advised themselves in authorising the SSO for the scheme, or that circumstances had changed significantly since the SSO? It is not difficult to imagine these boundaries being fertile territory for judicial review. Perhaps this lies behind more rethinking, this time that of the government rather than Barker:

> "We have also concluded that there may be some very exceptional circumstances in which it would not be appropriate to leave final decisions to the Commission."
>
> (DCLG, 2007b:2)

A second issue, in the context of transport, is the definition of 'major' infrastructure. While this is not a big problem for airports or ports (though even here the chosen thresholds are debateable) it is not at all straightforward for road and rail infrastructure. No threshold has yet been proposed for rail schemes, which is remarkable given the complexity of the rail network and the extent to which relatively minor, local changes in one part of the country can have very significant impacts hundreds of miles away – consider the example of relatively short journeys such as Leeds – Sheffield which rely on long distance trains for a large part of their service pattern. The illustrative roads threshold in the White Paper is 'schemes on or adding to the Strategic Road Network requiring land outside of the existing highway boundary; this would be subject to further definition in the relevant national policy statement'.

As a set of criteria for eligibility under the new process, the government's proposals seem rather odd, given that the definition of what counts as 'major' rests on who the project sponsor is, what powers they possess and the binary yes/no approach to the additional land take of the project. This immediately suggests some glaring anomalies - how can it be the case that large urban schemes such as Light Rapid Transit routes or Road User Charging with big land *use* consequences do not class as major, nor do motorway widening schemes within the envelope of the existing road, while local by-passes or realignments on the Strategic Road Network do?

Taking as an example a typical smaller HA scheme, the Temple Sowerby by-pass on the A66, it is difficult to believe that splitting the process between the SSO and the

Planning Commission would be helpful. In order to determine the SSO, it would be necessary to complete the NATA table and Environmental Statement, which implies determining the need for the road, its horizontal and vertical alignment, junction layouts and environmental design. What else is left for the Planning Commission?

In addition to these essentially pragmatic arguments, there are issues of democratic accountability. The local Public Inquiry is in part a social safety valve. It is not desirable to return to the position of the early 1970s when the need for highway schemes was outside the remit of the Inquiry. Whether it is achieved at the SSO stage or at the Planning Commission stage, there must be a clear forum within which to lay out what the scheme is, what options have been considered, and to debate whether the scheme is in the public interest which must include the need for/value of the scheme.

Finally, we do wonder how much delay is genuinely due to the Public Inquiry and Secretary of State decision stages of the planning process. It would be an interesting piece of work to take a sample of transport schemes such as Thameslink 2000, M1 J6-10 widening, M6 Carlisle-Guardsmill extension, A628 Mottram-Tintwistle and analyse the entire project planning cycle. The mega projects cited in Table 2 of Barker's interim report are not typical transport schemes. We accept that in the transport sector the PI and Ministerial decision process can be a major cause of delay in the case of highly controversial schemes (e.g. Thames Gateway Bridge). In such cases, it is well worth considering how precisely the proposed Planning Commission would improve the process efficiency and/or produce a better result. In any case, our view, subject to

testing, is that the most usual source of delay at the back end of the planning process for typical transport schemes is simply scarcity of public capital creating scheme programming delays.

Conclusions

Like the Barker Report before it, the planning White Paper is strongly rooted in a set of important macro-assumptions on the future structure of the English/UK economy. A somewhat raw vision of deeper globalisation is laid out, with cities and regions exposed to stiff competition for footloose investment. Whether globalisation continues to play out like this, given both the environmental consequences, and other factors such as increasing resistance to international migration and the desire to rediscover "authenticity" in terms of distinctive regional identities, economies and products, is far from certain (AMIN AND THRIFT, 1994).

In terms of the macro-management of the English economy, this assumption leads to the position that growth in the greater south east must be accommodated, since this is the only region which is genuinely competitive with other high value, knowledge economies elsewhere in Europe and beyond. In turn, this implies continued, or perhaps accelerating net North-South movement of people, households and employment for the foreseeable future.

This vision gives rise to two critical problems. First, infrastructure in the south east, including transport but also other public services from water and drainage to schools and healthcare, will not be able to meet this level of increased demand. Second, this perspective makes grim reading for much of the North, since outside the regeneration success stories of the largest provincial cities such as Manchester and Leeds, it is no longer clear what many historic communities are 'for' any more; perhaps the most that

medium sized former industrial towns - and some cities – in the North and Midlands can hope for is managed decline.

Even assuming that government is content with this situation, the pressures created by the need to accommodate millions of new people and households in the greater south east are very significant: the White Paper's aspiration to streamline the planning system and reduce the time taken for projects to move from inception to delivery is clearly based on the view that the pace of development in the south east will need to increase if the region (and therefore England/UK) is to remain competitive. Although approaching a different set of issues Eddington agrees on this point, arguing that even if substantially greater funding was available for new transport infrastructure, the planning system would find it difficult to deliver in a realistic timescale.

The tension between the White Paper and Eddington's analysis is perhaps best illustrated in the difference in their fundamental approach to public intervention. The planning White Paper is strongly focused on reducing the impact of the planning system itself, both in terms of the restrictions placed on potential development by the concept of 'need', and on the time it takes to actually process planning applications. In general terms, the White Paper could therefore be read as promoting a substantial liberalisation of planning and in turn the land market, which is entirely consistent with Barker's understanding of globalisation and competitiveness, and the increased demand she identifies for flexible responses to footloose development opportunities if they are not to be lost to other (foreign) locations.

In contrast, in recommending a “sophisticated policy mix” of investment according to improved appraisal rules and the pricing of scarce assets (i.e. road space), Eddington was arguing for quite complex policy intervention as the key to securing better economic efficiency. Another difference is in their attitudes to small, incremental developments: Eddington explains how a set of smaller interventions can often have a (much) greater overall cumulative impact on economic performance than large, ‘showpiece’ schemes. Yet the planning White Paper contradicts this, not just by its focus on streamlining the planning process for the delivery of the largest projects, but by recommending that many smaller, individual schemes (mostly those at the level of individual private dwellings) be taken outside the planning control environment altogether. This is clearly problematic given the cumulative impact of many small decisions in concert with one another, as Eddington pointed out.

The potential mismatches between the White Paper and the Stern report are even greater. Stern examined the economic impacts of climate change and the policy principles needed to move to a low carbon economy. Given the likelihood that fossil fuels will continue to dominate transport energy sources at least over the medium term, Stern recognised that carbon reduction could be more easily ‘bought’ from other sectors, particularly industry, generation and domestic use. However, Stern also (implicitly) predicts a substantial increase in the real price of energy, which will have important consequences for energy intensive goods, including transport, and for location choices as a result.

There are therefore two important specific issues arising from this. The White Paper assumes that the key to maximising national competitiveness is accommodating the macro socio-economic and locational trends of net North-South movement by a dispersed pattern of land use across the greater south east. However, the constraints placed on transport costs and infrastructure availability do not need to be particularly strong to make it difficult if not impossible to deliver this vision.

The second important factor is the White Paper's love of the new. By planning for substantial new build – especially of housing – and focusing on this new stock as a means to reduce overall carbon emissions from domestic sources, there is the substantial risk that older areas, many of which but by no means all are in the North, might be abandoned to further relative or absolute decline. This has clear transport impacts given the availability of existing infrastructure in these areas, compared to the requirement to build roads and public transport systems from scratch in zones of new development.

Our overall view is therefore that Stern and Eddington make uncomfortable reading for the UK Government. Global economic and environmental conditions pose big questions, including:

- Is it better to focus infrastructure resources on one ‘world class’ region or build up other Metropolitan Areas as counterweights in the model of many continental countries?;
- Within the big cities, how best can land use and transport be organised to deliver what is needed in terms of efficiency, equity and environmental performance?;
- What mix of new build, rebuild, high and medium density, brownfield and greenfield development is needed?;
- What the respective roles of planning and market forces are in pushing the land market and wider economy in the ‘right’ direction for decarbonsation?.

Within that context, the White Paper’s approach is misguided, and its title ‘Planning for a Sustainable Future’ more than a little hubristic. Planning can no longer be only about the use of land; it needs to be about the spatial organisation of resources in pursuit of more carbon-efficient development in a post-Stern world. Planning cannot supplant the market but it must complement it if stated environmental policy objectives are to be met. Above all, planning is the mechanism by which society is empowered to take the long view.

Acknowledgements

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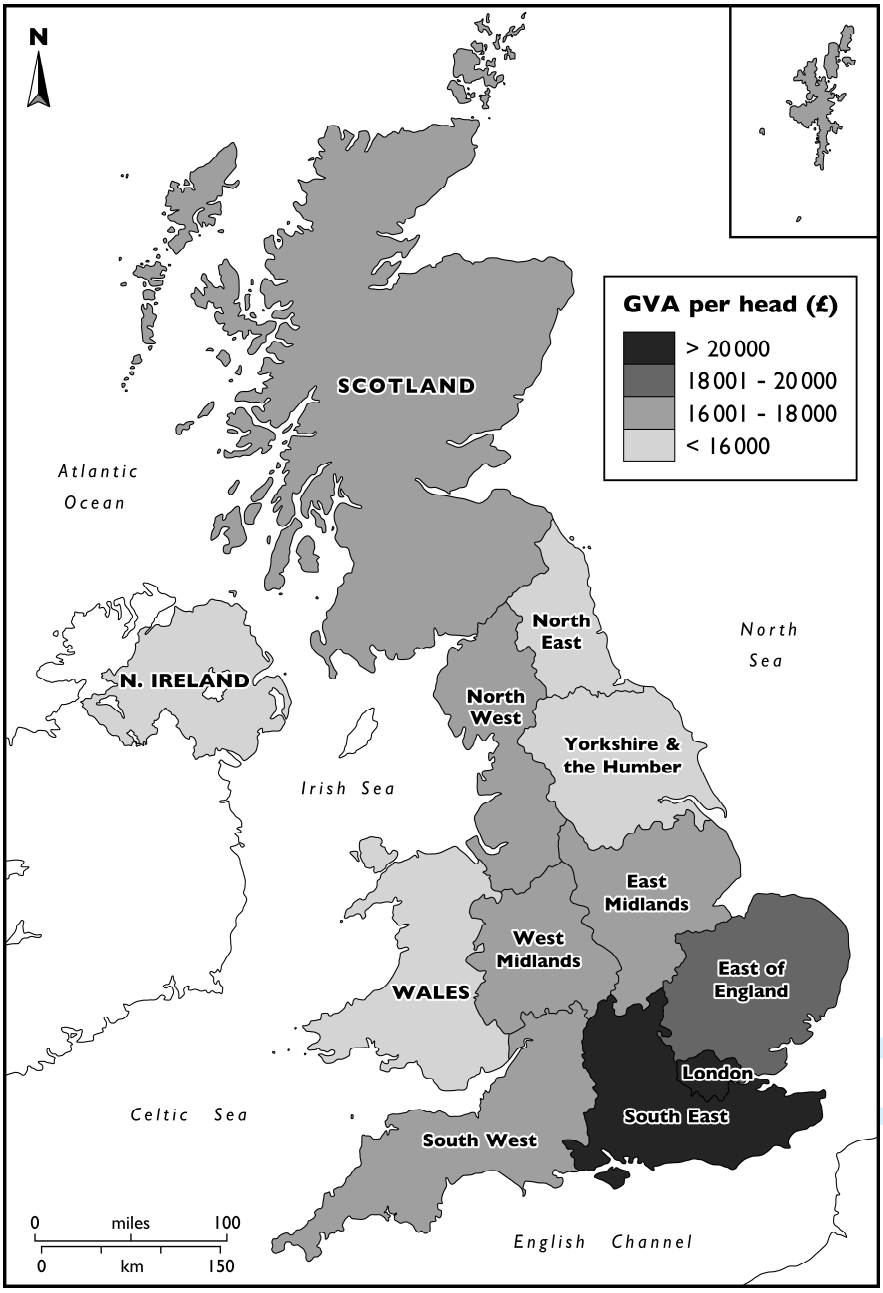
Table 1: Household projections by region

Region	Number of households 2003	Number of households 2021	Number of households 2026	Average annual change 2003 - 2026
North East	1,088,000	1,194,000	1,211,000	5,300
North West	2,847,000	3,290,000	3,378,000	21,900
Yorkshire and the Humber	2,104,000	2,437,000	2,511,000	17,700
East Midlands	1,782,000	2,146,000	2,230,000	19,500
West Midlands	2,193,000	2,526,000	2,602,000	17,800
East	2,286,000	2,797,000	2,926,000	27,800
London	3,093,000	3,756,000	3,926,000	36,200
South East	3,348,000	4,013,000	4,184,000	36,300
South West	2,137,000	2,622,000	2,745,000	26,400
England	**20,904,000**	**24,781,000**	**25,713,000**	**209,000**

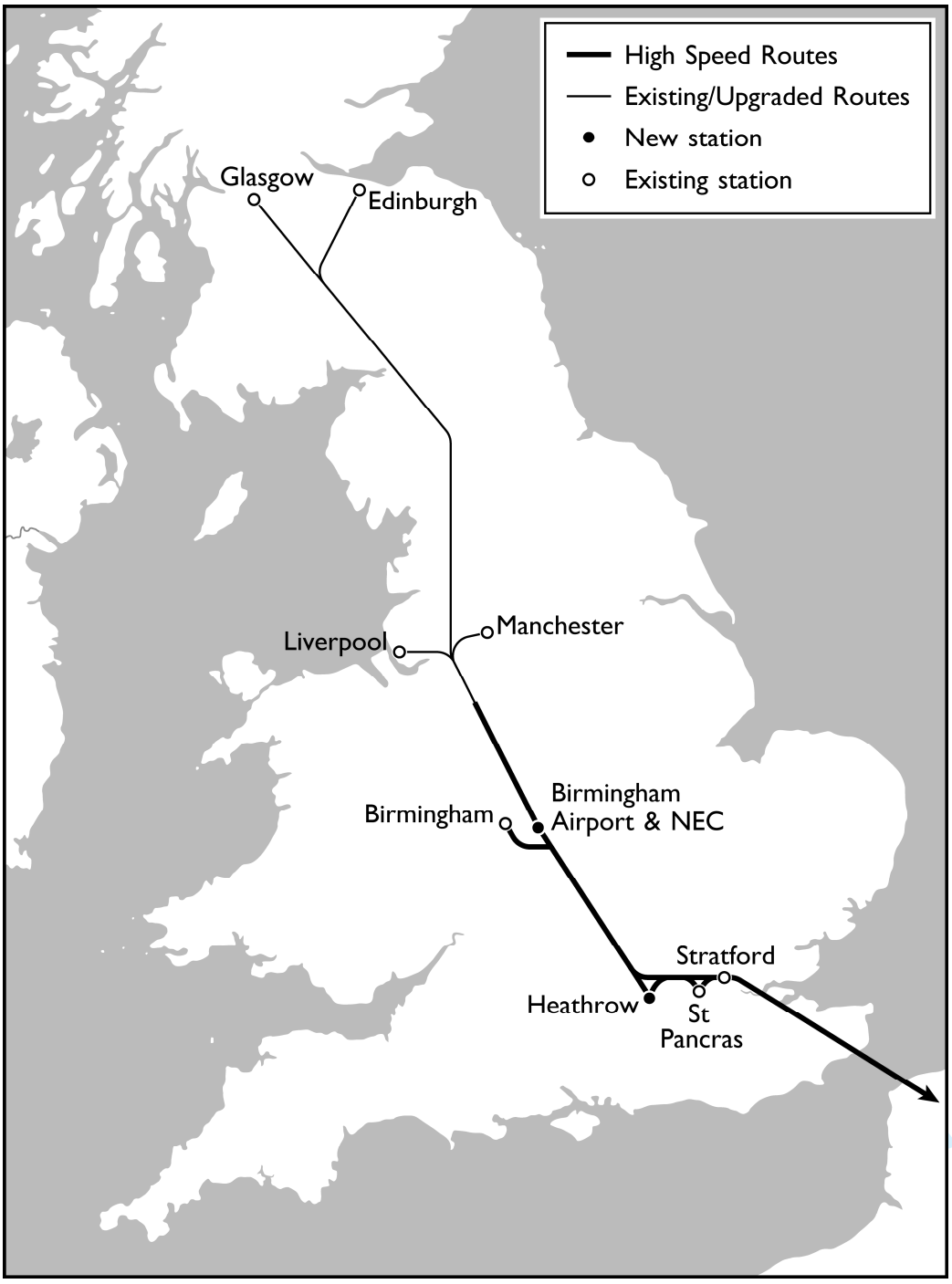
Source: DCLG (2007).

Figure 1 Gross Value Added per capita for UK nations and regions, 2006



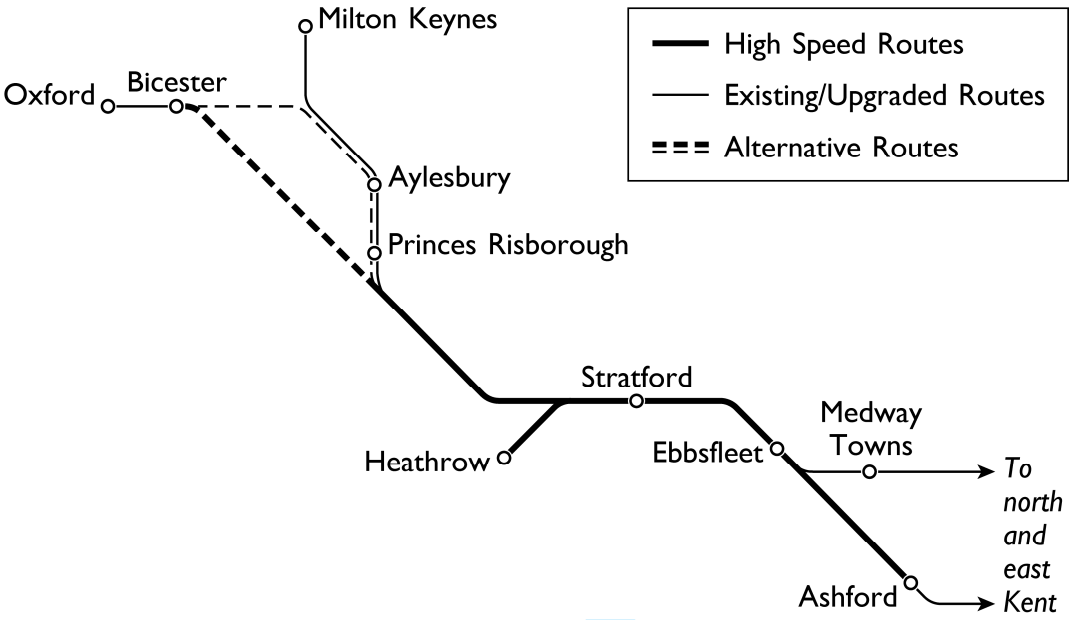
Source: National Statistics, http://www.statistics.gov.uk/downloads/theme_economy/Regional_GVA_December_2007.pdf

Figure 2 Indicative North-South high speed rail route.



Source: Greengauge 21 (2007) *High Speed Two – A Greengauge 21 Proposition.* http://www.greengauge21.net/assets/GG21_HS2.pdf

Figure 3 Indicative high speed rail network for south eastern England



Source: Greengauge 21 (2007) *High Speed Two – A Greengauge 21 Proposition.* http://www.greengauge21.net/assets/GG21_HS2.pdf

Endnotes

[i] Although the proposals for new approval processes for major infrastructure development in the Planning White Paper (and subsequent Planning Bill) also apply to Wales, most of the discussion in the White Paper is on reform of the planning system in England.

[ii] That said, many of the largest brownfield plots, such as the disused military and health sites identified by the government in its preamble to its legislation on housing introduced to parliament on 11 July 2007, are detached from existing settlements and transport links.

[iii] Also note that Marks and Spencer's much vaunted 'Plan A' for carbon neutrality does not include the transport-derived emissions of customers' trips to and from the company's stores (see Docherty and Shaw, 2008).

[iv] The apparent typographical error in this URL should be ignored

Planning for transport in the wake of Stern and Eddington

Abstract

The recent Stern and Eddington reports for the UK Treasury emphasise the significance of the linkages between transport, landuse, the environment and the economy. Against that background, the purpose of this paper is to consider the future of transport planning in England given the liberalising thrust of the Barker Review on land use planning and the subsequent White Paper *Planning for a Sustainable Future*. In reviewing the demographic and economic assumptions of the White Paper, we conclude that in certain respects there are important mismatches between the emerging government policy on strategic planning and the Stern and Eddington Reports.

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Keywords

Transport; planning; sustainability; land use.

JEL codes

Q58 Government Policy

R11 Regional Economic Activity: Growth, Development, and Changes

R48 Government Policies; Regulatory Policies

R52 Land Use and Other Regulations

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Planning for transport in the wake of Stern and Eddington

Introduction

Two independent reviews for HM Treasury published in late 2006, the Stern Review on the Economics of Climate Change and the Eddington Transport Study respectively, significantly shifted the terms of the transport policy debate. Stern negotiated a path through the often-heated exchanges on the economic impacts of climate change, identifying critical changes to policy needed to move towards a low carbon economy. Arguing that action needs to be taken now, given the long lead-in times before benefits materialize, Stern estimated that tackling climate change now would cost 1% of global GDP per year, compared to losing 5% of global GDP per year by 2050 if no action were taken.

One of the more controversial of Stern's recommendations was that early emissions reductions, should not come generally from transport, but from elsewhere – notably industry and the housing stock – where they can be "bought" more cost-effectively. The report concludes that a more meaningful transport contribution to the target of 60% reduction in carbon emissions by 2050 should come in the second half of the period. While precise answers on marginal abatement costs within and between sectors must await the work of the Climate Change Commission, Stern acknowledges that strong price signals and technological improvements need to be locked in early, otherwise there will be a very large gap indeed between 'business as usual' and 'efficient contribution' scenarios.

The Eddington Study focused on transport's role in supporting the economy, particularly the urban economy where recent growth has been strongest (PARKINSON *et al.*, 2004). The report argues that transport supports clusters and agglomerations of economic activity, expanding

labour market catchment areas, improving job matching, increasing labour market flexibility and facilitating business-to-business interaction. Eddington argued that transport's contribution to these lubricating mechanisms is most significant within large high productivity urban areas, and he therefore advocated a re-ordering of transport sector priorities in favour of the major city regions, and cautioned against speculative investment to try to inspire such growth in other areas (DOCHERTY *et al.*, 2008).

In terms of policy development and implementation, in one of the report's widely-quoted (and somewhat ambitious) passages, Eddington recommended that government adopt a "sophisticated policy mix" of infrastructure investment, making better use of existing infrastructure, and incorporating better estimation of externalities – especially agglomeration benefits – into project appraisal. He also recommended caution with respect to untested technologies, and advised that large, speculative schemes were unlikely to be priorities since there is little convincing evidence that transport can fundamentally reorder the geography of the economy. In light of this, the study drew attention to the relatively high benefit:cost ratios attached to transport schemes and showed that smaller schemes (less than £1bn) tended to offer the highest returns.

These influential studies, though coming from different perspectives, share some common features. Both stress the importance of the external effects of transport decisions — environmental (Stern) and classic external economies (Eddington). Also apparent, particularly in Eddington, is the interplay between transport and spatial organisation. Given the uncertainty over whether low carbon vehicles (such as hydrogen-powered "eco-cars" (BANISTER, 2000)) will become commonplace in the medium term, it is reasonable to conjecture that a substantial part of the burden of transport sector adjustment to a lower carbon future will turn out to be borne through spatial and behavioural change, relating to where our homes, workplaces,

education, health, shopping and leisure activities are located, rather than (just) how we travel between fixed locations.

Faced with such a scenario, a purist economist might say 'Get the prices right and the responses will look after themselves'. Price is an important instrument, but in the presence of myriad economic, environmental and social externalities, the concept of the setting the 'right' price for an intermediate good such as transport is an extremely complex one. Moreover, there are numerous political and practical difficulties in relying mainly on pricing for demand management, as has been illustrated by the Government's at best lukewarm position on network road user charging in its response to Eddington (DEPARTMENT FOR TRANSPORT (DfT), 2007).

Our reading of the Stern and Eddington reports is therefore that they imply a need for an enhanced and more interventionist planning system to act as a (partial) surrogate for pricing, and to buttress market forces in the early stages of Stern's graduated approach to reducing emissions. Continued investment in transport infrastructure will be required to resolve (or at least remediate) particularly acute congestion or capacity problems that are spatially or temporally concentrated in their nature. Some sort of demand management will be necessary if any meaningful degree of sustainability is to be attained, since technology alone will not solve the problem.

Against this background it is interesting to consider the stance taken by another of the Treasury's independent reviews - the Barker Review of Land Use Planning (2006), and the Department for Communities and Local Government's (DCLG) subsequent Planning White Paper, *Planning for a Sustainable Future* (DCLG, 2007). The Barker Review of Planning was commissioned in 2005 by the then Chancellor and Deputy Prime Minister to consider how

planning policy might help deliver better economic growth and national competitiveness in the context of unfolding globalisation. One of the Review's main recommendations – that the planning system needs to be streamlined in operational terms, so that there is better proportionality in terms of the bureaucracy associated with different kinds of development – is largely uncontroversial.

Barker's second set of recommendations has generated much more critique and debate, however. The Review's proposals that strategic land use policy be liberalised, in particular that the 'needs' test for commercial development be removed, risk making it much more difficult to develop settlement patterns and urban forms that reduce the need to travel, and which can be easily served by public transport (COMMISSION FOR INTEGRATED TRANSPORT (CfIT, 2006). Indeed, Kate Barker herself admitted that she has since "rethought" this aspect of her report in the light of these criticisms (NIVEN, 2007).

Planning For a Sustainable Future is strongly influenced by Barker, setting out a range of proposals to streamline the planning process in England, and to move it towards a more proactive, development-enabling mindset. Published in May 2007, the White Paper is in the vanguard of the 'new' agenda for the future strategic planning and development policy. Strongly focused on the idea that the planning system can be a proactive tool to stimulate and manage sustainable economic growth, the White Paper is rooted in the established competitiveness paradigm (BEGG, 2001), and seeks to rationalise how enhanced economic growth can be achieved in an era of (significantly) reduced carbon emissions.

However, we are concerned that there is a disconnect between Barker's original report and the subsequent White Paper with their deregulatory flavour, and the Stern and Eddington Reviews which propose a range of 'smarter' market interventions to tackle difficult transport policy

problems. The purpose of this article is therefore to explore this apparent contradiction between different strands of top-level government strategic thinking, and to outline how these might be mediated. We focus on England because the majority of the proposals in the Planning White Paper relate to this jurisdiction[1], planning being a wholly devolved matter in Scotland and Northern Ireland. (For more on the different trajectories of planning and related policies such as transport, see MACKINNON *et al*., 2008).

In the next section of the paper, we discuss the demographic and spatial forecasts and assumptions used in the planning White Paper and their consequences for land use planning and transport. We then turn to the micro-level question of the criteria for planning approval/consent, and how these might impact on the inherent sustainability of future places, before going on to discuss the proposed changes to the planning system itself as it relates to transport. Finally, we attempt a synthesis of the issues raised, noting some important implications for public policy.

Macro-economic and demographic assumptions

The planning White Paper adopts a particular outlook on the future, especially long-range economic and demographic trends, of which the most important are growing population, increased levels of GDP per capita, reduced average household size, and continued net migration for the north to the south of the UK. Alternative futures such as those with different politico-socio-economic drivers, or in which emissions reduction takes even higher policy priority are not addressed in any meaningful way. It is this 'locking-in' of the planning agenda to a particular future scenario based on a set of trend forecasts that poses the biggest challenge for

[1] Although the proposals for new approval processes for major infrastructure development in the Planning White Paper (and subsequent Planning Bill) also apply to Wales, most of the discussion in the White Paper is on reform of the planning system in England.

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transport since implementing effective transport policies to support a sustainable economy within a 'business as usual' spatial strategy might be very difficult indeed. There are several policy questions arising from this, which in our view, are not answered by Barker and the White Paper and require further examination.

Is the predict-and-provide approach to housing growth compatible with the looming realities of carbon constraint and climate change?

Perhaps the single most important set of (implicit) assumptions in the White Paper is that the current macro-level trends in terms of the geographical structure of the English/UK economy will continue (or indeed, accelerate). These assumptions can be summarised thus:

- There will continue to be a significant net increase in England's total population with net international in-migration a significant component of this;
- Net north-south movements in population will continue, especially in response to increasing demand for labour in the south;
- Household structure will continue to change, with a reduction in the average size of households, and hence an increase in the overall number of households in the country (see Table 1 below).

<< Table 1 here >>

These assumptions represent a clear read across from Barker in terms of the presumed future demand for land and especially housing, since the key aim of the White Paper is to make the release of development land 'easier' by relaxing planning consent criteria and shaking up the

bureaucracy of the planning system so that the land market becomes more responsive to demand. However, this risks something of a 'predict and provide' approach to strategic planning, since the White Paper simply takes the previous government forecasts used by Barker and looks at the way in which these might be implemented, without challenging the forecasts themselves.

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The first key issue to emerge from this analysis is therefore the importance of active versus passive policymaking. The White Paper relies on the forecasts used by Barker, and does not pose the critical questions of whether current trends are inevitable or desirable, and whether policy might seeks to intervene to change these trends. This is especially important given Stern's call for precisely this kind of active approach to significantly influence the future level of carbon emissions. Key factors at play behind these questions (see WENBAN-SMITH, 2006) include the marginal social overhead capital costs (electricity, transport, water) in different locations; the availability of suitable land and the extent of the engineering required to release it (flood protection etc.); the real extent of the agglomeration economies (explored at length in the research annexes to the Eddington report – see GRAHAM, 2006); and the wider social benefit:cost implications benefit of (re)locating hundreds of thousands of people in the London commuter belt versus the north/west midlands.

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The White Paper's assumptions suggest that regional policy – strategic planning of how the level of economic activity and population should be distributed between regions – will remain an important area for debate in England, especially given the significant differentials in economic performance between regions (Figure 1). The UK Government's view can be characterised as the belief that regional policy is at best a zero sum game in which public resources are used to redistribute growth rather than increasing the level of growth of the country as a whole; indeed active decentralisation away from London and the south east might even put the future

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competitiveness of what SEEDA calls England's only "world class region" (MUSSON *et al.*, 2002) at risk. It is clear that the devolved administrations do not necessarily believe this to be the case, however – witness the Scottish Government's 'National Purpose' of raising Scotland's rate of economic growth to first match and then exceed that of the UK (SCOTTISH GOVERNMENT, 2007).

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Yet there are strategic spatial planning options open to the UK Government that provide an alternative approach to accommodating a resilient north-south divide in England (ATHEY *et al.*, 2007). Two more independent Treasury reviews, those of Lyons on local government (2003) and Gershon on the efficiency of public spending (2004) have noted the potential for decentralisation of government and public sector employment to stimulate economic growth in other core cities. Indeed, there has been a range of academic research arguing that it is necessary to embark on much more far reaching decentralisation than has been achieved to date if the north-south productivity gap is to be closed (see, for example, AMIN *et al.*, 2003; AMIN, 2004).

An important and as yet under-researched question is therefore 'what regional policy approach would most closely align strategic planning to the post Stern, world?' Evidence from elsewhere (see, for example, ROBSON AND DEAS (2001) for a comparison of the English and French experience of decentralisation) suggests that stronger regional centres could have an important role to play. Especially as London is experiencing a record exodus of people (CHAMPION, 2006), balanced only by strong (international) in-migration, the concerted building up of large regional cities in the midlands and north could be an important policy objective; at the very least this proposition should be tested, since the substantial recent regeneration activity in the larger

cities provides potential to align planning objectives for the future with current market trends (JOHNSON *et al.*, 2007).

How do different strategies for accommodating growth compare in terms of their costs and benefits, e.g. marginal growth of existing towns or a few new cities?

Whatever decision is made about the top level distribution of jobs and people between regions, a second set of assumptions governs how settlements themselves should be planned to accommodate growth. One of the key areas of mismatch between the planning White Paper and the Barker analysis on which it is largely based is urban deconcentration. Barring very significant changes in the price of energy (which is possible), the more liberal land markets assumed by the White Paper will almost inevitably encourage the deconcentration of development, given the realities of land supply and the fact that brownfield land is generally more expensive to remediate. Eddington and Stern, on the other hand, both argue for reintensification of development; Eddington from the economic viewpoint that economies of agglomeration are becoming more important, and that the impacts of transport investment higher in large agglomerations (GRAHAM, 2006); whilst Stern's broader outlooks reflects previous policies on reducing the need to travel through higher density of population and economic activity.

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This apparent mismatch leads us to identify a second set of assumptions implicit in the White Paper, this time concerning links between transport and the economy:

- that transport intensity in the economy, i.e. person km per unit GVA growth, will stay around its stable historic level of approximately 1:1;

- therefore that the total demand for travel will not be decoupled from economic growth, and so overall transport demand will continue to rise, and even accelerate should long term economic growth increase.

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Clearly, these two positions are at odds with Stern (barring a transformation away from carbon-dependent transport technology – see BANISTER (2000) for one such scenario), and potentially at odds with Eddington's recommendations assuming that increased travel demand cannot be met by expanded transport capacity. They also (again) fail to recognise a number of important changes in these relationships that could emerge either from external factor conditions, or from policy interventions. As well as significantly higher energy prices, other external factors could include the longer term impact of ICT on location and transport choices, the changing structure of the labour market in terms of the proportion of full time, single location jobs; the overall number of economically active people, and the changing travel demands of an ageing population.

It is the mix of these factors that will determine which type of settlement form and urban hierarchy is the most transport- and energy efficient in future. There has been substantial debate about the 'best' form of urban structure, with most attention focused on Peter Hall's notion of a 'dispersed concentration' model of intensified towns located on key growth corridors to/from London, or the other largest cities. However, this idea is relatively old (it has its roots in the new towns movement and, at a larger scale, the growth poles strategy for Greater Paris in the 1960s and 70s), and therefore is based on a set of assumptions focused on the 20th century economy. In his most recent work, Peter Hall himself notes that it is time to update the idea according to the imperative of addressing emissions and climate change (HALL, 2007), although other research has claimed the dispersed concentration might actually increase travel and energy consumption (HOLDEN AND NORLAND, 2005). There is clearly work to be done in

updating the research base about the economic, transport and environmental performance of different settlement forms.

What are the relative benefits of (a) constraining existing urban boundaries with green belt and causing "leapfrogging" journeys and (b) extending the urban areas?

The planning White Paper itself claims that the government has "been able to achieve a substantial increase in new house building to help meet growing demand while minimising urban sprawl and maximising the use of brownfield land" through its 'town centres first approach'. Whilst maximising the reuse of brownfield land development is *generally* helpful in transport terms, since such land tends to be in reasonable proximity to existing infrastructure and economic nodes[2], the degree of success attained is dependent on the wider spatial structure of the economy.

Reinvigorating town centres linked to the prioritisation of brownfield sites is one means of encouraging shorter journeys (especially) commuting and subsistence shopping, compared to developing the urban fringe. However, this traditional approach in itself relies on a number of assumed objectives, which may well be out of date given wider structural changes in the economy. Most important is the objective to enable people to live closer to their place of work in order to reduce the demand for commuting. Given the increasing churn in the labour market, even if people make a decision to locate near a particular job, this situation is increasingly less likely to last. This means that the traditional notion of 'self contained' communities, in which people can access all of the employment and other services that they consume regularly within a single settlement is illusory (BREHENY, 1995; 1999). Indeed, even less self-containment

[2] That said, many of the largest brownfield plots, such as the disused military and health sites identified by the government in its preamble to its legislation on housing introduced to parliament on 11 July 2007, are detached from existing settlements and transport links.

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might be expected in future if the numbers of people holding more than one job, or engaged in activities that depend on complex patterns of face-to-face business interaction, continue to increase.

Notwithstanding changing labour market economics, the extent to which the compact city model of dense, mixed use places in which the demand for travel is minimised can be achieved in practice is contested. Even in London, with very high densities and agglomerations of people, jobs and transport links in the central core, it is the suburbs that are leading jobs and population growth. Therefore, strongly constraining the physical footprint of the city – whilst intuitively attractive in terms of its potential to reintensify land uses and help reduce the need for travel – does not in itself guarantee more transport and energy efficient organisation of the economy (ANDERSON *et al.*, 1996; BANISTER *et al.*, 1997; BREHENY, 1995). This uncertainty, amplified by the issues of long run energy prices, climate change and carbon reduction, suggests that some sort of scenario modelling is required to try and improve our understanding of the impacts of different settlement structures in practice.

An acid test of a pro-active transport planning policy could be the proposed High Speed Rail line from London to the north. It would be possible to view this narrowly, as a transport project. But, conceptually, such a line, as well as contributing to modal shift for long distance trips, *could* improve the combined economic performance of London, west midlands and the Transpennine region, provided that concerted property development and planning efforts are made in the provincial cities concerned to capture the benefits and avoid reinforcing economic activity in London (see VICKERMAN, 1997 and PUGA, 2002 for analysis of these competing outcomes; also BONNAFOUS, 1987 for more on these issues in the context of France). It could also provide, as a counterpart to Ebbsfleet, the trunk connector for a new city to the north west of London in the Bicester – Milton Keynes corridor. It may be that radial commuting journeys into

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London become longer on average, 'leapfrogging' more of the green belt, but that other journeys in compact purpose-built centres might be shorter and/or by more sustainable modes in compensation, with a more sustainable energy consumption and emissions profile overall. A more holistic way of considering such opportunities is called for than the approach taken in the White Paper, and represents a further domain in which new research is urgently required (ROYAL TOWN PLANNING INSTITUTE 2007).

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Criteria for planning approval

One of the pieces of mood music in the Barker report is the leaning towards 'positive planning'. According to the report, the planning system should not be asked to bear a disproportionate share of the overall burden of response to climate change; other policies such as pricing may be more efficient and effective. More generally, planning should be reformed so that it is

> 'based on the consideration of spillover effects, rather than trying to predict market demand. Planners should not be attempting to determine if there is sufficient 'need' for a given application – rather the applicant, who is bearing the risks, should be responsible for assessing that likely demand is sufficient to make the development viable.'
>
> (BARKER, 2006:7).

In a competitive market economy, such an approach might seem natural, but in practice a lot depends on interpretation. Consider first the case of a piece of privately provided transport infrastructure such as an airport development. It has been argued at inquiry on behalf of promoters, so far unsuccessfully, that market demand is of no concern to the planning system and that the terms of reference of the inquiry should be restricted to the external costs and benefits, that is, the spillovers. However, in our view, this is too restrictive an interpretation of the public interest. Firstly, there may be a national airports policy to consider with which the application may or may not be consistent. Secondly there may be issues of abstraction of traffic from other airports to consider. Thirdly, and most important, it may be impossible to judge the overall social advantage unless the benefits and costs to the airport, airline and traveller system are admitted in evidence. How are the spillovers from the infrastructure improvement to environmental impact to be assessed without robust evidence on the direct impacts? Overall, there is a lot to be said for planning decisions relating to transport infrastructure to be assessed on the basis of a comprehensive framework such as The New Approach to Appraisal (NATA), and not restricted to an analysis of the spillovers.

A second example concerns the proposed removal of the 'need' criterion from the local planning process. This creates one of the most apparent sources of tension between the Planning White Paper and the Stern and Eddington analyses. The Barker Report (para 1.32) says

> 'The town centre policy is – rightly – an important priority for Government. It helps to promote the vitality and viability of town centres which brings a number of benefits. It is therefore important to assess the potential impact on the town centre of new development proposed beyond its borders. The sequential and impact tests have rules to play here and should be maintained. But… it is not appropriate to turn down applications on the basis of there being no need.'

The virtues of the proposal are clear – promote retail competition, reduce margins and cut location rents (see para 1.36 and footnote 36). However, from a transport sector point of view there are some difficult issues to consider:

- Spillovers between developments and the highway system. Consider the case of a Highways Agency ring road around a town, with a proposal for development close to the junction between a main town radial and the ring road. While it is clear that no single Agency should be in the position of having a veto on the scheme, some important questions need to be addressed. Are the traffic congestion effects relevant spillovers for the inquiry? Should the HA/LA be permitted to recover the costs of increased congestion as well as the costs of ancillary infrastructure through the relevant Section 52/106 agreements? Should an access charge regime be introduced? What should the compensation costs be, especially in the case where expanding road capacity is infeasible?

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- Spillovers between the out of town development and the town centre. Plausibly, a new development will take market share from existing shops in some monopolistic competition type of way, with consequences for car users (does mean trip length rise or fall?) and for public transport users (does the town centre go into decline and what are their alternatives?).

The issues arising from these considerations are in a sense obvious, especially the core question of the extent to which it is the role of the planning system to look on a wider (Stern Report) basis with a longer timescale and a lower discount rate than commercial decision-

makers would normally use. If the answer to this is 'yes' – and we would say that it is – further questions then arise. Should settlements therefore be designed in such a way that they anticipate a lower carbon future? Should significant development proposals be required to submit a carbon balance sheet and/or use the Government's shadow price of carbon (DEPARTMENT FOR THE ENVIRONMENT, FOOD AND RURAL AFFAIRS (DEFRA, 2007). Does the Barker notion of spillovers extend this far? Note that this would not necessarily exclude 'out of town' developments, but it would suggest the need for something more like a planning balance sheet or extended CBA assessment framework for major developments than is implied by Barker. In the absence of full internalisation through compensation for spillovers, it is not possible to reach balanced decisions without considering the "value" of – as opposed to "need for" – the development. Aligning development incentives with the negotiation between these different objectives – in other words our best estimate of the overall public good – will become even more important in future if public capital for new infrastructure continues to be strongly rationed as has been the case in the UK for several decades, and as climate change and emissions reduction assume ever more important roles in broader policy. A carbon balance sheet approach would expose any proposed development to the acid test of whether it is merely redistributing existing activity to new locations as opposed to generating genuinely new, sustainable growth.

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The underlying research question to all of this discussion is therefore – given the Stern agenda and recent Government statements, "what will the layout of (English) towns and cities need to look like in a low carbon future, and what supporting transport and planning measures will push the system in the right direction? To view the planning system as accounting for spillovers while otherwise validating what the market would predict and provide seems to us a rather simplistic and anachronistic concept: surely it is time to point out the deficiencies is arguments such as those made by Ikea UK that planning bureaucracy is "a barrier and not in consumers' interests"

and that "retailers have different formats and concepts and regulations should be sympathetic to this" (Høgsted, 2006)?[3].

The proposed changes to the planning process

The Barker Review also identifies a need for a clearer policy framework within which planning applications and consents for major infrastructure can move forward. It argues that the government should draw up a Statement of Strategic Objectives (SSO) for major infrastructure, which would, where appropriate and possible, be spatially specific and would provide a clearer spatial framework to aid decision-making for major infrastructure. An independent Planning Commission would be charged with assessing applications against this strategic framework alongside other considerations such as local impacts. The Planning Commission would in effect combine the functions of the Public Inquiry (or Parliamentary Bill procedure) and the Secretary of State's decision stage for projects of national importance. There would be no change at this point to Ministerial powers to call in and decide appeals from local Planning Inquiries.

The proposals, which effectively split the planning processes for major infrastructure developments into two stages – the SSO stage and the Planning Commission stage – could work well for the largest projects, such as new airport runways and terminals, deep water ports or high speed rail lines. The SSO stage would incorporate public consultation and (if a project were successful) culminate in a Statement certifying the national need for a project, and probably that the need is best met by a particular project option; this process is very similar to the French concept of the Déclaration d'Utilité Publique (Declaration of Public Need) upon which

[3] Also note that Marks and Spencer's much vaunted 'Plan A' for carbon neutrality does not include the transport-derived emissions of customers' trips to and from the company's stores (see Docherty and Shaw, 2008).

policy makers in the UK have often looked jealously given its track record in streamlining the development process for major infrastructure schemes such as the network of TGV lines.

Despite its immediate attractions, there remain many issues to be resolved about how such a system would operate, especially around the rules of evidence and representation, the transparency with which the Statement was determined and whether the Statement would be open to Parliamentary scrutiny. These, and other question marks of the composition, operation and powers of the Planning Commission, highlight the fundamental issue of the legitimacy of the new system. Would a Ministerially appointed quango be seen as genuinely independent? Under what circumstances could the Planning Commission reject a scheme? Should not elected government ministers retain unambiguous final determination on planning matters? The Barker Report refers to the case in which the local costs are found to outweigh the national benefits, but could not the Commission discover new facts relating to the national case? Could it decide that Ministers had mis-advised themselves in authorising the SSO for the scheme, or that circumstances had changed significantly since the SSO? It is not difficult to imagine these boundaries being fertile territory for judicial review. Perhaps this lies behind more rethinking, this time that of the government rather than Barker:

> "We have also concluded that there may be some very exceptional circumstances in which it would not be appropriate to leave final decisions to the Commission."
>
> (DCLG, 2007b:2)

A second issue, in the context of transport, is the definition of 'major' infrastructure. While this is not a big problem for airports or ports (though even here the chosen thresholds are debateable) it is not at all straightforward for road and rail infrastructure. No threshold has yet been proposed

for rail schemes, which is remarkable given the complexity of the rail network and the extent to which relatively minor, local changes in one part of the country can have very significant impacts hundreds of miles away – consider the example of relatively short journeys such as Leeds – Sheffield which rely on long distance trains for a large part of their service pattern. The illustrative roads threshold in the White Paper is 'schemes on or adding to the Strategic Road Network requiring land outside of the existing highway boundary; this would be subject to further definition in the relevant national policy statement'.

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As a set of criteria for eligibility under the new process, the government's proposals seem rather odd, given that the definition of what counts as 'major' rests on who the project sponsor is, what powers they possess and the binary yes/no approach to the additional land take of the project. This immediately suggests some glaring anomalies - how can it be the case that large urban schemes such as Light Rapid Transit routes or Road User Charging with big land *use* consequences do not class as major, nor do motorway widening schemes within the envelope of the existing road, while local by-passes or realignments on the Strategic Road Network do?

Taking as an example a typical smaller HA scheme, the Temple Sowerby by-pass on the A66, it is difficult to believe that splitting the process between the SSO and the Planning Commission would be helpful. In order to determine the SSO, it would be necessary to complete the NATA table and Environmental Statement, which implies determining the need for the road, its horizontal and vertical alignment, junction layouts and environmental design. What else is left for the Planning Commission?

In addition to these essentially pragmatic arguments, there are issues of democratic accountability. The local Public Inquiry is in part a social safety valve. It is not desirable to return to the position of the early 1970s when the need for highway schemes was outside the remit of

the Inquiry. Whether it is achieved at the SSO stage or at the Planning Commission stage, there must be a clear forum within which to lay out what the scheme is, what options have been considered, and to debate whether the scheme is in the public interest which must include the need for/value of the scheme.

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Finally, we do wonder how much delay is genuinely due to the Public Inquiry and Secretary of State decision stages of the planning process. It would be an interesting piece of work to take a sample of transport schemes such as Thameslink 2000, M1 J6-10 widening, M6 Carlisle-Guardsmill extension, A628 Mottram-Tintwistle and analyse the entire project planning cycle. The mega projects cited in Table 2 of Barker's interim report are not typical transport schemes. We accept that in the transport sector the PI and Ministerial decision process can be a major cause of delay in the case of highly controversial schemes (e.g. Thames Gateway Bridge). In such cases, it is well worth considering how precisely the proposed Planning Commission would improve the process efficiency and/or produce a better result. In any case, our view, subject to testing, is that the most usual source of delay at the back end of the planning process for typical transport schemes is simply scarcity of public capital creating scheme programming delays.

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Conclusions

Like the Barker Report before it, the planning White Paper is strongly rooted in a set of important macro-assumptions on the future structure of the English/UK economy. A somewhat raw vision of deeper globalisation is laid out, with cities and regions exposed to stiff competition for footloose investment. Whether globalisation continues to play out like this, given both the environmental consequences, and other factors such as increasing resistance to international migration and the desire to rediscover "authenticity" in terms of distinctive regional identities, economies and products, is far from certain (AMIN AND THRIFT, 1994).

In terms of the macro-management of the English economy, this assumption leads to the position that growth in the greater south east **must** be accommodated, since this is the only region which is genuinely competitive with other high value, knowledge economies elsewhere in Europe and beyond. In turn, this implies continued, or perhaps accelerating net North-South movement of people, households and employment for the foreseeable future.

This vision gives rise to two critical problems. First, infrastructure in the south east, including transport but also other public services from water and drainage to schools and healthcare, will not be able to meet this level of increased demand. Second, this perspective makes grim reading for much of the North, since outside the regeneration success stories of the largest provincial cities such as Manchester and Leeds, it is no longer clear what many historic communities are 'for' any more; perhaps the most that medium sized former industrial towns - and some cities – in the North and Midlands can hope for is managed decline.

Even assuming that government is content with this situation, the pressures created by the need to accommodate millions of new people and households in the greater south east are very significant: the White Paper's aspiration to streamline the planning system and reduce the time

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taken for projects to move from inception to delivery is clearly based on the view that the pace of development in the south east will need to increase if the region (and therefore England/UK) is to remain competitive. Although approaching a different set of issues Eddington agrees on this point, arguing that even if substantially greater funding was available for new transport infrastructure, the planning system would find it difficult to deliver in a realistic timescale.

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The tension between the White Paper and Eddington's analysis is perhaps best illustrated in the difference in their fundamental approach to public intervention. The planning White Paper is strongly focused on reducing the impact of the planning system itself, both in terms of the restrictions placed on potential development by the concept of 'need', and on the time it takes to actually process planning applications. In general terms, the White Paper could therefore be read as promoting a substantial liberalisation of planning and in turn the land market, which is entirely consistent with Barker's understanding of globalisation and competitiveness, and the increased demand she identifies for flexible responses to footloose development opportunities if they are not to be lost to other (foreign) locations.

In contrast, in recommending a "sophisticated policy mix" of investment according to improved appraisal rules and the pricing of scarce assets (i.e. road space), Eddington was arguing for quite complex policy intervention as the key to securing better economic efficiency. Another difference is in their attitudes to small, incremental developments: Eddington explains how a set of smaller interventions can often have a (much) greater overall cumulative impact on economic performance than large, 'showpiece' schemes. Yet the planning White Paper contradicts this, not just by its focus on streamlining the planning process for the delivery of the largest projects, but by recommending that many smaller, individual schemes (mostly those at the level of individual private dwellings) be taken outside the planning control environment altogether. This

is clearly problematic given the cumulative impact of many small decisions in concert with one another, as Eddington pointed out.

The potential mismatches between the White Paper and the Stern report are even greater. Stern examined the economic impacts of climate change and the policy principles needed to move to a low carbon economy. Given the likelihood that fossil fuels will continue to dominate transport energy sources at least over the medium term, Stern recognised that carbon reduction could be more easily 'bought' from other sectors, particularly industry, generation and domestic use. However, Stern also (implicitly) predicts a substantial increase in the real price of energy, which will have important consequences for energy intensive goods, including transport, and for location choices as a result.

There are therefore two important specific issues arising from this. The White Paper assumes that the key to maximising national competitiveness is accommodating the macro socio-economic and locational trends of net North-South movement by a dispersed pattern of land use across the greater south east. However, the constraints placed on transport costs and infrastructure availability do not need to be particularly strong to make it difficult if not impossible to deliver this vision.

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The second important factor is the White Paper's love of the new. By planning for substantial new build – especially of housing – and focusing on this new stock as a means to reduce overall carbon emissions from domestic sources, there is the substantial risk that older areas, many of which but by no means all are in the North, might be abandoned to further relative or absolute decline. This has clear transport impacts given the availability of existing infrastructure in these areas, compared to the requirement to build roads and public transport systems from scratch in zones of new development.

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Our overall view is therefore that Stern and Eddington make uncomfortable reading for the UK Government. Global economic and environmental conditions pose big questions, including:

- Is it better to focus infrastructure resources on one 'world class' region or build up other Metropolitan Areas as counterweights in the model of many continental countries?;
- Within the big cities, how best can land use and transport be organised to deliver what is needed in terms of efficiency, equity and environmental performance?;
- What mix of new build, rebuild, high and medium density, brownfield and greenfield development is needed?;
- What the respective roles of planning and market forces are in pushing the land market and wider economy in the 'right' direction for decarbonsation?.

Within that context, the White Paper's approach is misguided, and its title 'Planning for a Sustainable Future' more than a little hubristic. Planning can no longer be only about the use of land; it needs to be about the spatial organisation of resources in pursuit of more carbon-efficient development in a post-Stern world. Planning cannot supplant the market but it must complement it if stated environmental policy objectives are to be met. Above all, planning is the mechanism by which society is empowered to take the long view.

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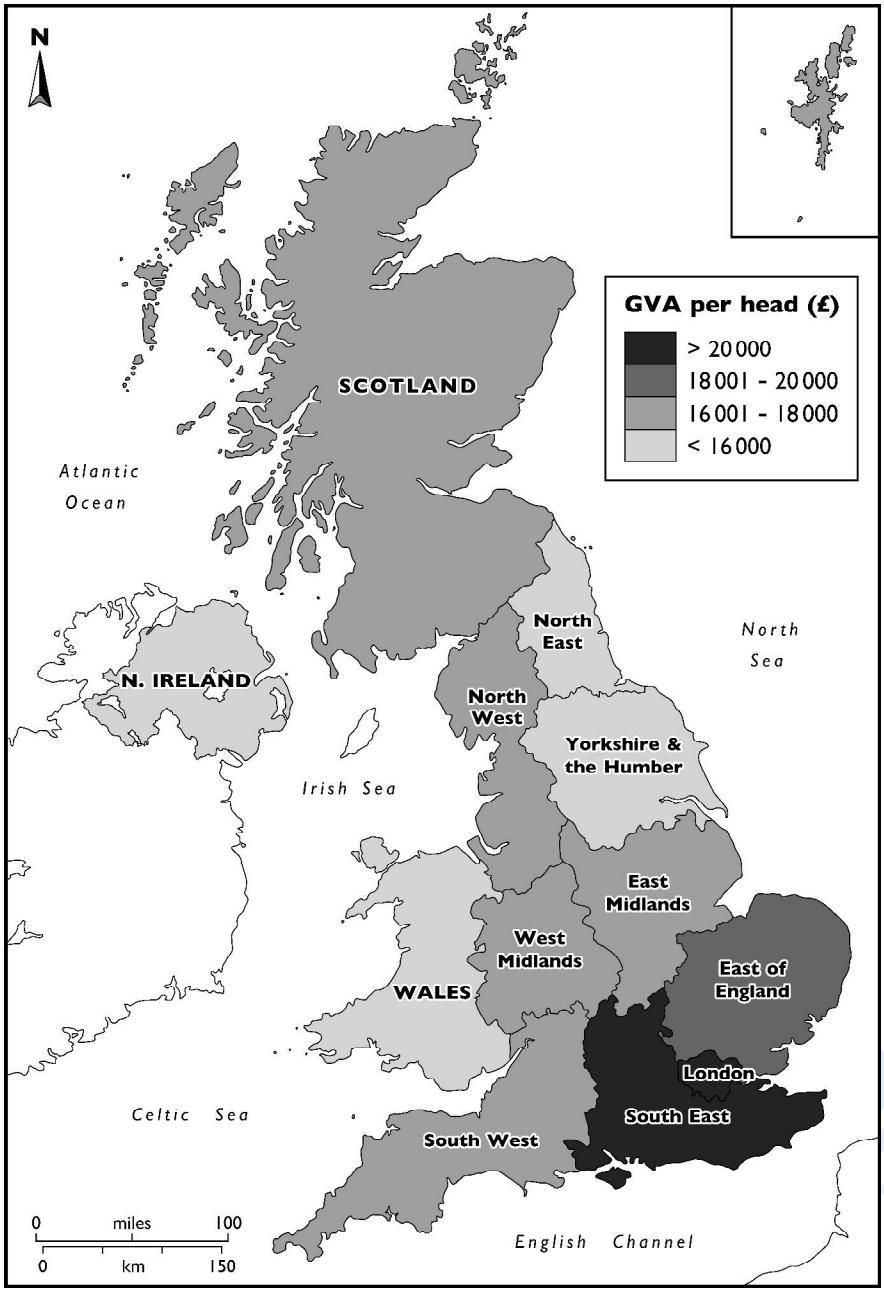
Table 1: Household projections by region

Region	Number of households 2003	Number of households 2021	Number of households 2026	Average annual change 2003 - 2026
North East	1,088,000	1,194,000	1,211,000	5,300
North West	2,847,000	3,290,000	3,378,000	21,900
Yorkshire and the Humber	2,104,000	2,437,000	2,511,000	17,700
East Midlands	1,782,000	2,146,000	2,230,000	19,500
West Midlands	2,193,000	2,526,000	2,602,000	17,800
East	2,286,000	2,797,000	2,926,000	27,800
London	3,093,000	3,756,000	3,926,000	36,200
South East	3,348,000	4,013,000	4,184,000	36,300
South West	2,137,000	2,622,000	2,745,000	26,400
England	**20,904,000**	**24,781,000**	**25,713,000**	**209,000**

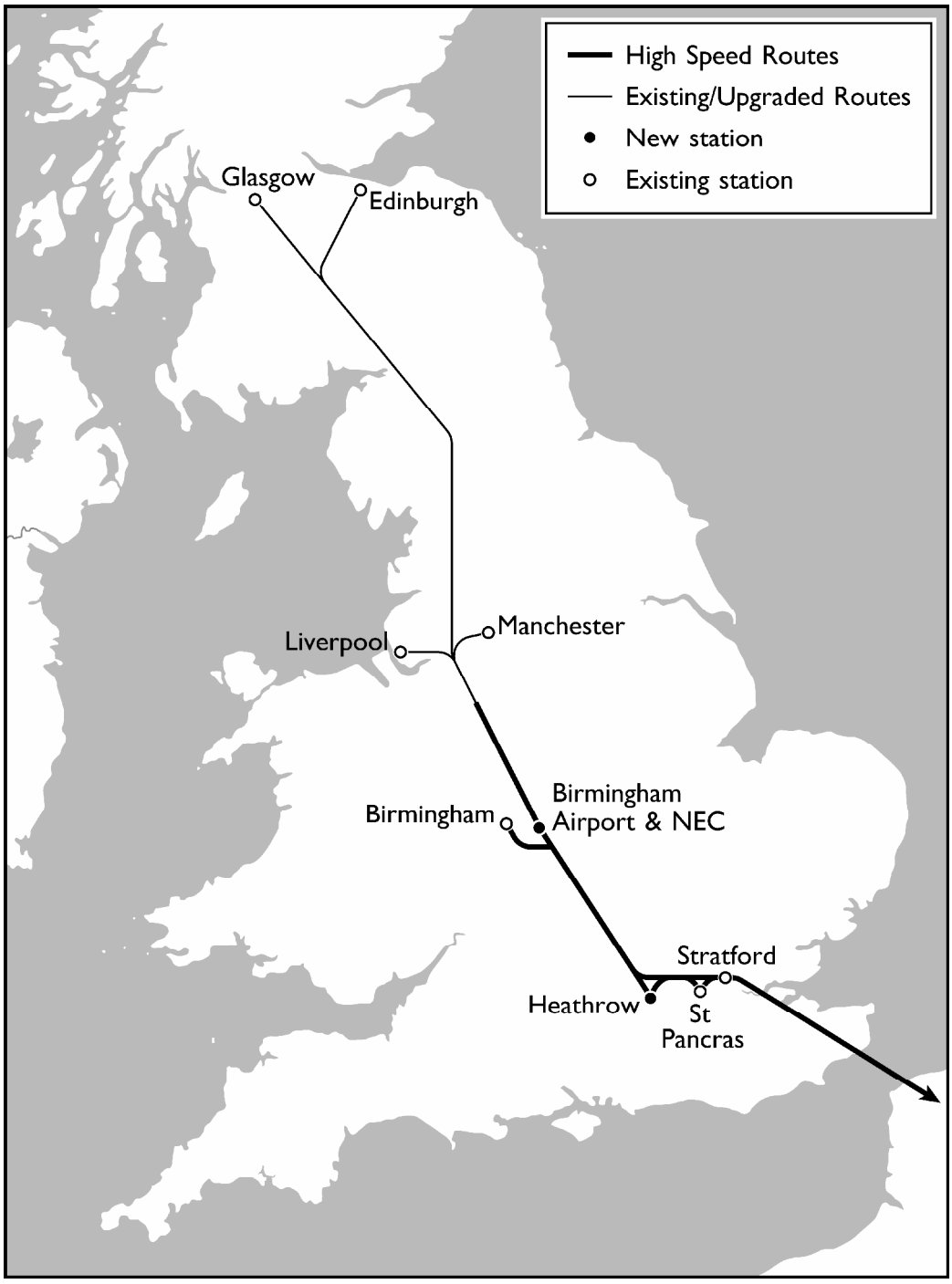
Source: DCLG (2007).

Figure 1 Gross Value Added per capita for UK nations and regions, 2006



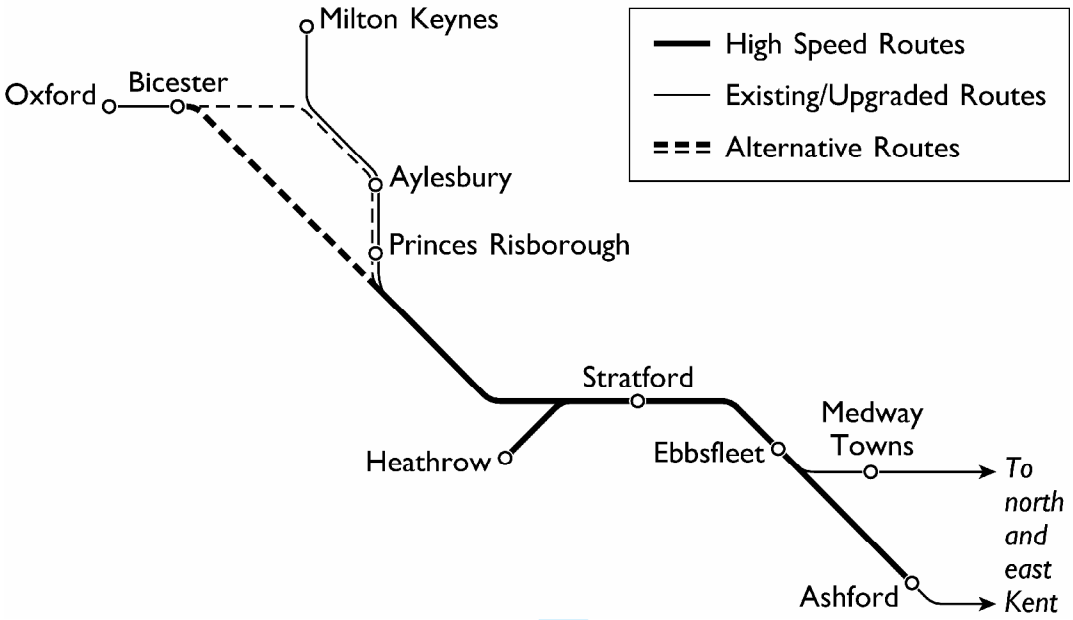
Source: National Statistics, http://www.statistics.gov.uk/downloads/theme_economy/Regional_GVA_December_2007.pdf

Figure 2 Indicative North-South high speed rail route.



Source: Greengauge 21 (2007) *High Speed Two – A Greengauge 21 Proposition.* http://www.greengauge21.net/assets/GG21_HS2.pdf

Figure 3 Indicative high speed rail network for south eastern England



Source: Greengauge 21 (2007) *High Speed Two – A Greengauge 21 Proposition.* http://www.greengauge21.net/assets/GG21_HS2.pdf