Transport for the North Scenario Planning Expert Panel Exhibit 3 - Spatial Planning

Keith Mitchell: Director Community Development and Infrastructure, Stantec

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1 Introduction

Section Overview

This paper, drafted in 2019, prior to the Covid 19 pandemic provides examples of long term trends and potential policy developments relating to spatial planning which are likely to have an impact on travel outcomes, an influence on TfN's transport strategy, and on environmental, social and economic outcomes across the Northern Powerhouse. The current global impacts of COVID-19 are creating significant additional uncertainty, yet the basic conclusions in this note still remain or have been emphasised during 2020. That there needs to be a spatial response to infrastructure investment – through the development of an integrated spatial vision, with cascading of planning policies and funding to functional economic and local areas.

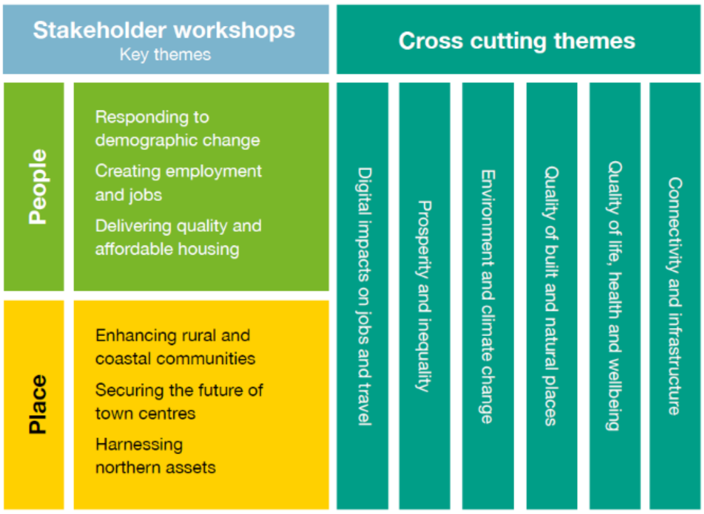
2. The purpose of spatial planning

The NPPF[1] (February 2019) explains that the purpose of the planning system is to contribute to the achievement of sustainable development. This means it should deliver three interconnected overarching objectives that need to be pursued in mutually supportive ways*: **a) an economic objective*** – to help build a strong, responsive and competitive economy*; **b) a social objective*** – to support strong, vibrant and healthy communities; ***c) an environmental objective*** – to contribute to protecting and enhancing our natural, built and historic environment.

These strategic aims apply generically to the UK. Ambitions for the North[2] seeks to identify strategic aims that relate to the particular needs of the Northern Powerhouse. Stakeholders were keen to encourage a positive narrative, summarised here under four headings ***a) supporting economic growth*** - by responding to major infrastructure investment to improve competitiveness and reduce intra-regional inequality; ***b) allocating sustainable housing locations*** - to support investment in sustainable transformation, creating new communities focussed around the rail network; ***c) sustainable communities outside major conurbations*** - to provide a planning framework for the delivery of better places to deliver healthier, more sustainable and prosperous communities, and ***d) collaboration to bring forward the most appropriate solutions*** - to support co-operation across boundaries and organisations to create tailor-made solutions to the delivery of good growth.

3. Key Drivers of Change

Ambitions for the North promulgated six key drivers of change, and six cross-cutting themes. All are subject to uncertainty. Evidence about current trends affecting the key drivers were presented to stakeholder workshops, which were then used to shape proposals for a Spatial Planning Framework. Some of the more relevant issues are summarised below:



Demographic change: The population of the North is growing, but not in rural areas. It is growing more slowly than the south – this has a significant implication for growth, and may be affected by future immigration policy.

Employment: Providing sites for Primary and Enabling employment activities, (NPIER[3]), will need high quality and well-connected sites in urban areas, as well as out of centre for industrial and logistics use. Access to large skilled labour markets is a key issue for investors/ employers, and more of an issue in the North than the South.

Housing: Ambitions for the North explains that the Standard Methodology[4] reduces the level of predicted housing need in the North compared to the previous methodology, and that this means that plans will be out of step with the transformational economic agenda. More homes are needed in locations where people want to live and at a price they can afford. Land value is generally lower in the North, and market housing is generally more affordable than in the South, but the cost of regenerating urban brownfield sites is a constraint on viability making housing delivery in central, accessible locations more difficult to achieve. Without an integrated approach, housing delivery will fail to support the economic plan or meet sustainability goals.

Town Centres: Retail expenditure continues to grow, but the share of 'special forms of trading' has been growing more quickly, and the role of the high street continues to decline. Vacancy rates are higher in the North relative to rest of the UK. There is a need to repurpose many town centres which have declined over time through loss of employment and retail activity. Quality of place and access to employment are a key factors for investors, making connectivity a critical success factor for places outside the major conurbations.

Rural & Coastal Towns: The North grows more slowly than other parts of the country, and this is more apparent in many coastal and rural towns. Some investment is planned for coastal areas, relating to the energy sector and port activity. If this is opportunity is to be grasped, intermodal freight connectivity between coast and market destinations needs to be considered alongside access to labour markets.

Natural Assets: The North's natural assets are a key differentiator, underpinning its attractiveness as a place to live, and its competitiveness as a place to invest. Government's 25 year plan[5] to improve the environment represents a major opportunity for the North's natural assets to play a more integrated and critical role in the resurgence of the North. There is a growing recognition of the importance of protecting and enhancing these assets, and embracing opportunities they provide to address climate change and environmental challenges.

4. Factors contributing to uncertainty

There are significant uncertainties relating to the market, behavioural and policy responses to cross-cutting issues such as the digital transformation of employment and travel, and the impacts on spatial planning and place making arising from changes in public opinion and land-use policy relating to quality of life, environmental protection, climate change, health & wellbeing issues.

Changes in employment: The NPIER identifies four Prime and three Enabling Capabilities which will drive the economy of the North. Three of the four Prime capabilities, (health innovation, digital and advanced manufacturing), and two of the three enabling capabilities (finance/ professional and education) will attract knowledge based employment and contribute to continued urbanisation. The Foresight report, People in Cities: the numbers[6], suggests that there continues to be a strong net 'counter urbanisation' pattern in terms of 'within UK' migration, offset by increasing urbanisation patterns relating to natural population increases and international migration. The lower component of migration in the North, together with the emphasis of industrial strategy, suggests that urbanisation is likely to dominate future trends, unless disrupted by other factors.

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Changes in travel and transport

Government has established the Centre for Connected and Autonomous Vehicles, and has invested £120M in developing this market[7], but it is the automotive industry leading the charge. Connected and Autonomous Vehicles, 2019 Report, Winning the Global Race to Market[8] estimates the potential benefit to the UK at £62Bn. How will this affect planning for existing and new communities? There is no answer to this, but it seems possible that CAV's, subject to the right policy environment, could be used to drive road use efficiencies and reduce carbon (Autonomous Vehicles in Transport Appraisal, Oxera[9]), and thus become more attractive to support a more dispersed development pattern.

Land Use responses to changing employment and travel

Preparing Communities for Autonomous Vehicles, (APA)[10] anticipates changes in the physical layouts of urban and sub-urban areas, increasing demand for warehousing and e-commerce, and the potential demand for more 'sprawl'. Given the importance of using land efficiently, and of accelerating our transition to low or zero carbon solutions, sprawl is not likely to be a desirable outcome. So, if spatial planning policy seeks to constrain unnecessary use of additional land for development, can CAVs be used to 'repair' existing sprawl? Is there a role for new forms of intensified development around 'mobility hubs', potentially connected to 'in journey' EV charging hubs, (Establishing the Blueprint for Electric Vehicle Charging Infrastructure[11]), rather than encouraging destination charging as suggested in Road to Zero[12] and DfTs recent consultation on EV charging in residential and non-residential buildings[13].

5. Possible end states will be influenced by spatial policy choices

The outcomes of growth will be determined by a range of influences, including the direction of spatial planning policy. CIHT's Better Planning, Better Transport, Better Places[14] suggests a directive/ adaptive approach to policy making, aimed at achieving an agreed spatial vision, based on a range of studies, including CREATE: Urban Mobility: Preparing for the Future, Learning from the Past[15].

Will growth be concentrated in large conurbations or more evenly spread between cities and towns? The NPIER explains that the Northern Powerhouse is a construct aimed at boosting economic growth in the North of England based on the benefits of agglomeration, in which productivity benefits are gained from people and businesses from being closer together. This is reinforced by the city region's ability to drive decision making through layered governance controlling planning, land and funding. Historically, this has meant that larger conurbations are more successful. However, stakeholder engagement for Ambitions for the North revealed support for a spatial framework which encourages growth beyond the core cities, and which seeks to reduce inequality across the Northern Powerhouse. This would now appear to be a more likely outcome as a result of the rapid changes in mobility provision and more agile working practices.

Will housing and commercial development be concentrated exclusively in existing urban areas, or allowed to encroach on the green belt? Despite the reduction in northern housing need arising from the standard methodology, housing allocations over the next 30 years will not be contained within currently available or viable sites within existing urban areas. In addition, changes in industrial and logistics supply chains will increase pressure to release sites on the edges of urban areas. Decisions will therefore need to be taken about additional locations for development that fall beyond the existing markets and urban envelope. Decisions

about green belt release may therefore be appropriate, when considered in the round, balancing all relevant planning objectives to support development concentration, productivity and sustainable development objectives. This should be balanced against alternative options to regenerate communities within the urban areas, and outside of the main conurbations, taking advantage of changes in travel and employment arising from the technological revolution.
Ambitions for the North does not take a view on preferred outcomes, but outlines the importance of a spatial response to infrastructure investment – through the development of an integrated spatial vision – and the cascading of planning and funding through interconnecting plans for functional economic and local areas.

6. Initial List of Key Uncertainties

Uncertainties	Factors to consider	Concentration through urban agglomeration or dispersed growth?	Urban intensification or extension (green belt)?
EV and CAV technology development	The market will drive technological development, so policy makers need to understand the possible outcomes, and make plans about future regulation to guide outcomes towards desirable outcomes for their communities.	Transport technology supports greater dispersal	Greater dispersal of development could reduce demands on the green belt
Rail investment, NPR/ Local Connectivity	NPR rail investment without local connectivity could support urban intensification in the major cities, but make more inclusive growth harder to deliver, unless counter-balanced by EV/ CAV technology/ agile working	Accessibility changes drive new development locations	Green belt release enables sustainable development locations
Changing Employment	Agile working supports more dispersed living and working patterns, although the Prime and Enabling Capabilities suggests that urbanisation of the workplace is likely to continue to meet the needs of a knowledge based economy	Knowledge economy drives greater urbanisation	Agile workers choose to live outside urban areas and travel less
Industrial Strategy	Changing retail and industrial strategy has led to major changes in the High Street and in supply chains, leading to increasing requirements for urban edge locations for logistics development, with connections to their markets, as well as to ports and airports.	Changing in distribution and logistics drives need for urban edge sites	Green belt release provides sites with better connections to their markets
Housing growth	Viability of housing on lower value/ brownfield/ town centre sites is hard to achieve, thus making development more attractive on higher value, green field sites. Policy/ funding intervention may be needed to change the dynamic.	Intervention needed to deliver housing in low value/ high cost locations	Green belt release needed to align housing with new connectivity plan
Climate change and carbon transition	Public opinion and policy looks likely to move towards more serious measures to address climate change. Uncertainty remains around how much, how fast. Key spatial factors include biodiversity protection and enhancement, reducing the need to travel using carbon intensive technology, and thus efficient use of land.	Public opinion drives major changes in public policy and emphasis on local markets	More efficient use of land and local community development reduces demands on green belt
Health & Wellbeing	Increasing emphasis on open space, air quality, quality of built and natural environment. There are viability issues associated with this, as well as potential impacts on housing density and need for extensions beyond the urban fringe.	Invest in local community development to reduce demand for new land releases	Collaborative planning between green and brown improves quality of life and resilience
Inclusive prosperity	Unfettered agglomeration could lead to improved prosperity in the main conurbations, whilst towns outside the influence of these urban areas continue to be economically less successful. Recent stakeholder engagement suggests broad support for a more inclusive growth strategy.	Core cities benefit from improved prosperity, and smaller settlements fall further behind	Green belt release accommodates demand for growth in main conurbations

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Transport for the North
2nd Floor
4 Piccadilly Place
Manchester
M1 3BN

Transport for the North
Ground Floor
West Gate
Grace Street
Leeds
LS1 2RP

0161 244 0888

info@transportforthenorth.com

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transportforthenorth.com