

Minister of Infrastructure and Environment
M.H. Schultz van Haegen
PO Box 20901
2500 EX The Hague
The Netherlands

Subject : Future of Spatial Policy
Date : 8 June 2011
Our Reference : Advice nr. 2011/02
Appendix : 1

Dear Ms Schultz van Haegen

The government coalition agreement announces its intention to decentralise national spatial policy. You requested the Council for the Rural Area, the Council for Transport, Public Works and Water Management and the VROM Council – together comprising the Councils for the Environment and Infrastructure (RLI) – to issue an advice about the intended changes. The purpose of this letter is to answer that request.

The councils assessed the envisioned changes to spatial policy within the context of two major developments. The first has been in the works since the 1990s and relates to the fundamental reform of spatial policy directed at achieving efficiency gains. Traditional passive planning had failed to achieve spatial policy ambitions on time, if at all. The Spatial Development Policy report (WRR, 1999) marked the transition to a government actively engaged in spatial development.¹ The focus has shifted to the roles each administrative tier can play, together with private parties, to facilitate spatial development. The new Spatial Planning Act (Wro) stipulates that national, provincial and local governments can all fulfil this developmental role. Second, the rising national budget deficit has prompted plans for cutbacks. The councils observe that these plans carry the risk of fundamental policy reforms becoming determined by a short-term drive to cut spending. In view of this risk, this advice continuously tries to understand how both short-term and long-term objectives can best be achieved. It is enough of a challenge to adjust policies to stimulate spatial developments without compromising other spatial planning objectives, including the protection of natural habitats.

¹ WRR (1999). *Spatial Development Policy*. Reports to the Government, Summary of the 53rd report. The Hague: Netherlands Scientific Council for Government Policy.

The government seeks to decentralise national spatial policy. This intention was expressed in the coalition agreement, the policy intentions in your policy letter of 26 November 2010 and in the administrative agreement with the Association of the Provinces of the Netherlands (IPO) and the Association of Dutch Municipalities (VNG). The councils also view decentralisation as an important step towards more effective spatial development and implementation, but only if the region² has the capacity to take over tasks, authorisations and/or responsibilities from national government. This constitutes the crux of this advice.

This capacity entails that resources and powers be decentralised as well. Only under this condition can sub-national governments carry out their tasks properly. This has in part been achieved by the new Spatial Planning Act, which enables these governments to operate adequately in legal and administrative terms. On the other hand, the councils feel that the availability of financial resources for these governments has not yet been adequately arranged. Any government involved in urban development will need to be able to generate and manage sufficient financial resources to protect public interests and develop public services. Otherwise, decentralisation is just empty talk. The councils recommend that efforts towards decentralisation by national government be accompanied by increasing the capacity of sub-national governments to use public funds for spatial policy.

In this advice, the councils focus on the conditions under which regions can conduct good spatial policy. These conditions are intended to enable decentralisation and deregulation to be effectively incorporated into spatial policy, and constitute a framework for the Structure Vision on Infrastructure and Spatial Planning and its accompanying Strategic Environmental Assessment (SEA) and administrative order (AMvB). The remainder of this advice will discuss these conditions and close with a number of recommendations. The first three parts of the advice focus on national government, the region and implementation of spatial policy respectively; this is followed by the concluding section.³

Part I National responsibilities in spatial planning

Two elements set the stage for regional development. The new Spatial Planning Act offers a flexible legal framework that allows for centralisation as well as decentralisation of policy, and a clear national agenda states what should be done at a national level. For spatial planning, the interaction of all the parties involved determines the outcome. In administrative terms, this demands that parties work together, each according to their own responsibilities. In this first section, the councils indicate where and how national government can act as an initiator of spatial development (in the national interest) and how it, being responsible for the overall system of spatial planning, defines the conditions under which sub-national authorities function.

Broaden the concept of the economy

The coalition agreement views economic development as the guiding principle for spatial planning. In the policy letter of 26 November 2010, you state that national spatial policy can contribute to economic growth if it concentrates on the strong points of our economy. This led to the decision to invest in strengthening the so-called mainports, brainports and greenports, the development of

² In this advice, 'the region' can refer to different levels of scale, varying from municipalities and municipal partnerships to provinces and provincial partnerships.

³ The councils have made thankful use of three essays that were written for the preparation and inspiration of this advice. The essays (in Dutch) by B. Needham, A. de Gier and P.P. Witsen can be found on the RLI website (www.rli.nl/toekomst-van-het-ruimtelijk-beleid/essays).

economic clusters (e.g. energy valley in Groningen, nanotechnology valley in Twente and Delft) and in accessibility.

The councils are in complete agreement with the government's decision to put the economy first in the coming years. However, investment in ports and clusters alone does not do justice to the importance of urban regions, which are, after all, the drivers of the economy.⁴ Urban regions have highly skilled and differentiated labour markets, and these attract businesses. Half of the world's GDP is earned in urban regions.⁵ The councils feel that national spatial policy should seek to strengthen the entire package of economic functions of urban regions. That being said, selectivity in adverse financial and economic times does make sense, as does the decision to focus on only three urban regions and the decision to prioritise the mainports in the allocation of financial resources.

The councils wish to issue a clear warning about interpreting the concept of 'the economy' too narrowly in terms of the short-term, economic priority areas and accessibility. In the long term, other spatial qualities will prove crucial for increasing competitiveness, economic growth and offering a good climate for international investment. Open landscapes are a vital counterpart to the urban environment. Economy and culture also mutually reinforce each other: cultural and natural heritage can propel economic development.⁶ A narrow definition of the economy is inadequate for other reasons as well. The controversy surrounding nitrates has shown us that the quality of natural areas, surface water and agriculture are all interrelated. By placing too much emphasis on short-term economic interests, one risks neglecting the importance of nature, culture and landscape, even though these have significant economic consequences in the long run. Ignoring these values can even weaken international competitiveness in the long run. Especially in a global economy in which knowledge-workers and businesses shop for the best place to locate, spatial quality and quality of life play a decisive role. The councils believe that a long-term perspective on economic development demands that territorial qualities are acknowledged in spatial-economic planning, including the three urban regions that have been singled out as priority areas. Nature and culture have their own significance in these areas, and coalitions of NGOs and private parties are increasingly acknowledging that this is part of good governance. In short, government must not underestimate the economic significance of environmental factors – sometimes referred to as 'soft values'.⁷

The councils advise government to recognise urban regions as drivers of the Dutch economy and to use this as a guiding principle for spatial policy. The councils stress that quality of life (including urban amenities, culture and landscape) are essential for economic growth in the long term. The councils feel that a broad definition of the economy, in which these elements are included, must be central to spatial policy.

Define national interests from an international perspective

Decentralisation is the art of letting go. However, decentralisation does not mean that national government can remain silent about social issues. National government must draw up frameworks for sub-national governments that provide clarity or that formulate challenges. Put more strongly, a clear national vision on social challenges is indispensable for making decentralisation a success.

⁴ See, for example, Ter Weel, B. Van der Horst, A. & Gelauff, G. (2010). *The Netherlands of 2040*. The Hague: CPB.

⁵ McKinsey Global Institute (2011). *Urban world: Mapping the economic power of cities*. New York: McKinsey Global Institute.

⁶ Marlet, G. (2009). *De aantrekkelijke stad* [The Attractive City]. Nijmegen: VOC Uitgevers; Marlet, G. & Van Woerkens, C. (2011). *Atlas voor gemeenten 2011* [2011 Municipal Atlas]. Nijmegen: VOC Uitgevers.

⁷ A good illustration of this is the valuation of property, which is higher in areas with good environmental qualities. Through property tax, this will also generate higher yields for government.

In order to play a clear and consistent role in society, national government should have a clear understanding of its own interests. National interests are not easy to delineate, and cannot be separated from those at other levels of scale. A national motorway, for example, is not only in the national – or international – interest, but is important to the regions it connects. Usually it is a matter of mutual interest rather than a trade-off. Up to now, national government has had the tendency to ‘look downwards’ to sub-national governments when defining and safeguarding national interests. As a consequence, it has involved itself deeply in local decision-making. The councils recommend ‘looking upwards’ instead, and include the international dimension when defining national interests. What are the interests and issues of the Netherlands from an international perspective? Thinking in these terms makes challenges visible in river basins along cross-border waterways, trans-European infrastructure networks (road, rail, energy, ICT) and trans-national ecosystems. All too often, little attention is paid to the international context, despite the fact that this characterises a number of urgent national challenges such as water safety, rising sea levels, sustainability and the energy transition. The way in which we deal with these issues will determine the robustness of spatial policy. The spatial challenges in the North Sea become clearer when placed into an international perspective. The proliferation of functions in the North Sea has led to a challenge so great – also in terms of surface area – that decentralisation is no longer an option. This is obviously a responsibility of national government, and the bundling of knowledge and resources in this area in the new Ministry of Infrastructure and the Environment (brought about by a merger of the Ministry of Housing, Spatial Planning and Environment and the Ministry of Transport, Public Works and Water Management) presents a unique opportunity to tackle the planning challenges in the North Sea. The councils will elaborate on this in a forthcoming advice.⁸

The councils feel that the so-called layer approach can help allocate responsibilities for spatial challenges. The first layer of this approach (surface) consists of physical attributes such as water and soil. The second layer (network) relates to both manmade infrastructure (road, rail, energy and ICT) as well as ecological systems (water and nature). The third layer (occupation) contains all forms of land use (e.g. residential, commercial, agricultural and recreational). The advantage of this approach is that it enables connections to be made between dynamics in different layers. It also reveals that each government has different responsibilities in each layer. The councils view the second layer (network) as the most important for national policy; this is equally applicable to infrastructural and ecological networks. By influencing the general quality of these networks, government also influences the development potential of specific places in these networks. Some ICT companies regard proximity to an ICT-backbone as an important locational advantage in addition to proximity to motorways.⁹ The interaction between places and networks justifies, in the councils’ opinion, selective national government involvement in the main networks, which then creates the framework for other parties to develop local and regional networks and area-based developments.

The councils suggest defining national ambitions from an international perspective and prioritising networks (infrastructural and ecological). Afterwards, public and private parties at a regional level can, within the framework of the national networks, proceed with area-based developments and balancing land uses and endogenous qualities.

Strengthen ‘soft’ values

In the expert meetings organised by the councils in preparation of this advice, participants repeatedly voiced their concerns about the protection and development of the ‘soft values’

⁸ See forthcoming advice on maritime strategy.

⁹ In the agreement between national government, the Association of the Provinces of the Netherlands (IPO), the Association of Dutch Municipalities (VNG) and the Association of Regional Water Authorities (UvW) for the 2011-2015 period, ICT backbones are conspicuously absent in the list of networks which national government should facilitate (p. 39).

mentioned above. Strategic long-term objectives of national government concerning nature protection seem to have been moderated due to the dire state of governmental finances at the moment. The councils warn explicitly against conflicting short and long-term interests.

The councils believe that national government has an important responsibility to protect soft values such as biodiversity and ecosystems. These policy areas are also linked to binding European legislation. Objectives regarding biodiversity and ecosystems are included in the National Ecological Network (EHS) policy. The EHS contains Natura2000 areas as well as some national buffer zones (areas designated as open spaces to prevent cities from growing into one another). Although there may be cause to fundamentally rethink the national policy for nature protection and development,¹⁰ the councils feel that the current decision to halt the realisation of 'key ecological connections' is short-sighted: it is like building train stations without laying down connecting track. The councils recommend drawing a clear distinction between long-term policy objectives and policy implementation. In the event of a – temporary – shortage of funds, one can choose to delay implementation. This is now a realistic option. However, it differs from when the situation at hand is allowed to frustrate long-term objectives. National government should be vigilant about this. The councils feel that long-term objectives need to be established more or less autonomously from present-day circumstances.

As regards open space policies (e.g. green in and around the city, national buffer zones and national landscapes), government has chosen to abolish national frameworks and decentralise responsibility to sub-national governments. The councils believe that these governments will be able to take on these responsibilities if they are sufficiently equipped to do so. We strongly recommend making the necessary instruments and resources available to sub-national governments.

The councils feel that the protection of soft values needs to be explicitly incorporated into long-term objectives, which are largely independent of the prevailing economic situation. If only limited resources are available for carrying out these objectives, one can make temporary modifications if they do not harm the integrity of the long-term objectives.

Involve interested parties

In the coalition agreement, government introduced a new governance principle: a maximum of two levels of government can involve themselves with any particular policy issue. The councils feel that this 'two-level rule' does not do justice to the social and administrative complexity of spatial planning.¹¹ Although it may be valid in cases where local authorities operate within an administrative framework set by the province, there are many examples where it simply falls short. For spatial planning, the two-level rule is a gross simplification of reality; one cannot avoid dealing with various public and private actors at different levels of scale. For example, national government has declared itself responsible for large-scale economic development projects such as the 'Zuidas' in Amsterdam. Does the two-level rule imply that the province has nothing to say if the municipality and national government are at the table? This makes little sense as the province plays an important role in timing the realisation of other office locations in the region. Both provinces and municipalities have contributions to make in these kinds of decision-making processes. Moreover, as various public and private parties own land in the area and have a stake in its development, it

¹⁰ For example, the conflict between sectoral policy objectives and spatial protection goals in nature policy.

¹¹ In its recent advice on the two-level rule, the Council for Public Administration (ROB) found that in many cases multilevel governance – i.e. the involvement of multiple layers of government – is inevitable, necessary and even desirable (ROB, 2011). According to ROB, there are many examples in the field of spatial planning that show the usefulness of having multiple responsibilities, provided the division between the responsibilities is clear.

stands to reason that these parties should also be consulted at critical moments – even if it is clear that only one level of government can take a decision.

The oversimplification of reality inherent to the two-level rule is even more evident when considering binding European directives and regulations. In many cases, the municipality plays a role in the final implementation of EU policies. According to the two-level rule, both national government and provinces should be excluded from the process (as the municipality and the EU are already involved). This is unrealistic and untenable. The councils feel that the issue at hand should determine who should be involved in decision-making. This also implies that the roles and responsibilities the different governments have is clear to all involved.

The councils posit that the complexity surrounding large-scale spatial projects and developments is so significant that administrative complexity is inevitable. The councils feel that the two-level rule is untenable for spatial planning. It is not a matter of 'how many layers of government are involved' but, as an alternative approach, 'who is responsible' and 'who (public or private) can make a positive contribution to the process'. Anyone who can do this should be welcome to participate. Rather than separating parties into levels, the alternative approach inspires and unites all the parties involved.

Set sectoral goals nationally and conduct spatial planning¹² regionally

An important issue in spatial planning is the level to best resolve competing land uses. For a long time, the Netherlands sought to do this at a national level in a national spatial vision. These were published as white papers (policy documents on spatial planning). The national vision was intended to set the framework for sub-national governments to conduct spatial planning. The need for a unified national spatial vision can be qualified however. Visions on specific topics, for example, ecological or infrastructural networks, can suffice if linked to sectoral goals. In this case, national government would be responsible for clearly articulating ambitions with measurable sectoral targets. If national government wishes to bring about specific spatial developments itself, this means that it assumes responsibility for spatial planning and assumes full accountability for spatial quality. If this is not the case, the region should carry out spatial planning. In exchange for increased autonomy, the region should be made more accountable for meeting national sectoral targets. To give the regions as much freedom as possible to carry out spatial planning, it is important that national government does not translate its targets into detailed implementation programmes or zoning. This would hinder regional planning and, moreover, produce uniformity. In other words, national government should set clear sectoral targets, while at the same time increasing the freedom of regions to make their own planning decisions and determine their own timing.¹³ We will return to the issue of timing later.

The proposed division of labour can be illustrated by the example of housing production. The councils feel that national government should determine how many homes are needed on the basis of long-term trends and developments identified in the recurrent national housing survey (Woon-Onderzoek). National government can translate this into housing targets (e.g. number or types of homes). It will then be up to the provinces to elaborate these targets at a regional level.

¹² Translator's note: the act of spatial planning in Dutch is called *geïntegreerde ruimtelijke afweging*, which literally translated means 'integrated spatial balancing' and is used to describe an attempt to resolve competing land-use claims within the framework of a plan or planning decision.

¹³ The councils also realise that the large number of existing sectoral implementation programmes and objectives can frustrate integrated spatial planning at a regional level.

The councils feel that it is the responsibility of national government to set sectoral targets, and the responsibility of the regions to meet these targets. The region must ensure that spatial planning – i.e. the balancing of competing land uses – takes place within the framework of the national ecological and infrastructural networks.

Retain national research and monitoring

The councils stress the importance of spatial research and monitoring. As development projects generally have a long-lasting effect, it is critical to be able to make a sound assessment. This requires information about trends and developments and statistics on implementation. In order for decentralisation of spatial policy to be a success, sub-national governments will need to be able to meet their knowledge requirements. At present, this is being met by national institutes that carry out research through innovation programmes, pilot projects, and best practices and projects. National forums such as InnovatieNetwerk (agriculture, agribusiness, nutrition and open space), the Nicis Institute (cities), the Housing Experiments Steering Group (SEV), the trade organisation for professionals in the area of spatial planning (NIROV) and the KEI centre for urban renewal accumulate a broad base of knowledge and make this available to sub-national governments.

The councils strongly advise against decentralising research and monitoring. This would run the risk of fragmenting existing knowledge resources and making information less exchangeable and comparable. This situation already exists with the collection of European statistical data: differences in definition between the various national statistical agencies makes it hard, if not impossible, to use this information in a meaningful way. There are also considerable differences within Europe as regards the time it takes to collect and analyse data. As a result, the availability of data at a European level is much more limited than for each member state individually. A similar situation can arise in the Netherlands if data collection and processing is decentralised. Organisations such as the national policy research institutes (*planbureaus*), Statistics Netherlands, and the Netherlands Institute for Transport Policy Analysis (KiM) need specialised knowledge and skills to fulfil their role adequately. This level of specialisation would be difficult to achieve at a sub-national level. On the other hand, sub-national governments should be given a greater say in the research programmes of the various institutes so that they get access to the information they need.

The councils stress the importance of good information and monitoring and recommend arranging this at a national level. In order to better meet the knowledge requirements of regional governments, access to knowledge generated at a national level should be improved.

Another issue concerns the professional knowledge and expertise of civil servants at a sub-national level. A great deal of expertise has vanished from the ranks of the national civil service: experienced designers from the National Spatial Agency (RPD) were reassigned to the Netherlands Environmental Assessment Agency (PBL) and are therefore no longer 'in house'. A similar problem exists at a sub-national level; particularly small local authorities have limited staff, making it very difficult to deal with extremely complex and constantly changing legislation and regulations. Even large municipalities find it difficult to maintain the necessary level of knowledge, experience and skills, especially regarding large place-based developments that are often highly complex and long lasting.

The councils recommend setting up a knowledge and experience exchange system. This could take the form of shared services: topic-based partnerships between governments, research centres and universities.

Part II Instruments for the region

The key message of this advice is that national government should give sub-national governments the assistance and freedom they need to determine how best to conduct spatial planning. National government is responsible for ensuring that the overall system of spatial planning – which is both development-oriented and able to carry out comprehensive assessments – functions well. In this sense, the councils argue for returning to the powerful concept of ‘self-reliant regions’ used in the Fourth Policy Document on Spatial Planning (1989). This concept implies that regions use their own potentials to develop themselves, rather than looking for handouts from national government.¹⁴ This concept fits the current climate of decentralisation of national spatial policy and heightened competition between urban regions.

Good land policy is an important cornerstone of spatial policy at a sub-national level. For this reason, the Ministry of Infrastructure and the Environment should play a leading role in guaranteeing, evaluating and revitalising a robust framework of land policy instruments such as the Land Servicing Act, Municipalities Pre-emption Right Act and the Compulsory Purchase Act. The application of these instruments is primarily the responsibility of municipalities and provinces. Depending on the issue at hand (and with due regard to the ownership of land in the plan area), these governments can opt for an active land policy (where they buy land, prepare it for development and sell it to a developer) or a facilitating land policy (where no ownership is required). Public-private partnerships can also offer a viable alternative.¹⁵

The councils believe that national government should, as much as possible, empower regions and give them the freedom they need to engage other public and private parties in the best way possible. The various parties in the regions should cooperate on the basis of substantive issues, and have these issues define the shape of the particular alliance. For this reason ‘the region’ cannot be unambiguously defined: depending on the matter at hand, ‘the region’ might be a single province, a number of collaborating municipalities or a collection of provinces.¹⁶ In a previous advice, the VROM Council referred to this as ‘cooperation in changing coalitions’.¹⁷ It is important that national government remains open to initiatives for regional cooperation and rewards such cooperation as much as possible.

Ensure adequate financing at a regional level

The councils feel that the responsibility of national government for an efficient planning system includes ensuring that adequate resources exist at a regional level. Decentralisation implies that sub-national governments have the means to take on the tasks given to them by national government. These resources should be available at the level at which the spatial assessment is made,

¹⁴ Zonneveld, W. (1991). *Conceptvorming in de ruimtelijke planning: Encyclopedie van planconcepten* [Conceptual formation in spatial planning: an encyclopaedia of planning concepts]. Amsterdam: Planologisch en Demografisch Instituut, University of Amsterdam.

¹⁵ For example, creative competitions can be used more frequently to decide between alternative spatial designs. The regional authorities determine the general programme, while consortia compete on both quality and price of implementation plans. The alternative that adds the most value on balance to the programme objectives deserves to be carried out.

¹⁶ VROM Council (2008). *Wisselende coalities. Naar een effectief regionaal ruimtelijk beleid* [Changing Coalitions, towards effective regional planning]. The Hague: VROM Council. Council for Transport, Public Works and Water Management (2009). *Beter is sneller* [Better is faster]. The Hague. Council for the Rural Area, Council for Transport, Public Works and Water Management and the VROM Council (2010). *Make room for renewal*. The Hague: Councils for the Environment and Infrastructure.

¹⁷ VROM Council (2008). *Wisselende coalities. Naar een effectief regionaal ruimtelijk beleid* [Changing Coalitions, towards effective regional planning]. The Hague: VROM Council. This advice contains a checklist of rules to be used when entering into partnerships (with decision points about, for example, termination of the partnership, entering and exiting the partnership, go/no-go decisions, etc.).

namely the regional level. It is therefore imperative that disparities between central funding and regional policy are resolved – otherwise, decentralisation is merely empty talk.

At first glance, few resources seem to be devoted to spatial development in the national budget. In this sense only a modest budget – both in terms of potential cutbacks as well as decentralisation – is at stake. This should be qualified however: the investment budget for spatially relevant policies includes transport infrastructure, water management and rural areas. These contain long-term investments, many of which have been reserved all the way up to 2020. Moreover, each year a substantial sum is spent on the management and maintenance of networks. If one were to include not only investment budgets, but also maintenance, management and operational budgets in the decentralisation, sub-national governments could take responsibility for finding more sustainable solutions and efficient operations. After all, placing investment, management and maintenance budgets under the control of a single body would make it possible to optimise decisions on spending public funds.

The councils see two alternatives for achieving adequate financing at a regional level. The first is to allow provinces and municipalities to levy more taxes (e.g. raising property tax). The limited taxbase at a sub-national level is a major handicap for these governments. Selling land for development is one of the only ways that local authorities can make money. But this gives a perverse incentive from the point of view of efficient land use: greenfield development is lucrative, while infill development, given current market conditions, costs more than it brings in. The profitability of selling land for development is extremely limited in times of construction slumps and falling land prices. On the other hand, sub-national taxation enhances the autonomy of sub-national governments. The different tax regimes experienced by inhabitants contributes to spatial differentiation, and increases the ability of regions to distinguish themselves. This is, the councils feel, an inherent consequence of decentralisation.

A second alternative is a sub-national reallocation of national funding for spatial development. In the recent past, there have been good experiences with targeted grants, such as the Multiple Targeted Subsidy Schemes (BDU), Urban Renewal Investment Budget (ISV) and the Rural Areas Investment (ILG). Targeted grants mean that national government attaches conditions to the spending of funds, but that sub-national governments have a great deal of latitude – within the stated conditions – to spend as they see fit. The councils feel it may be wise to shift these targeted grants to the general provincial and municipal budgets, together with decentralising responsibility for infrastructure and spatial planning. A similar arrangement was made in the administrative agreement: the transportation BDU was shifted to these general budgets, increasing the autonomy of sub-national governments.

The councils recommend combining the envisioned decentralisation of spatial policy with a decentralisation of financial resources. Sub-national taxation is a good way to enhance the autonomy of sub-national governments. In addition, the councils recommend working with targeted grants that contain combined budgets for investment, operations, management and maintenance.

Provinces take responsibility; national government arbitrates if needed

Spatial planning demands a good overview of future land-use demand. The importance of accommodating functions such as housing, employment and recreation in a timely fashion is self-evident. In view of the envisioned decentralisation, provinces have become individually responsible for scheduling the quantitative and qualitative realisation of these functions. This raises the question of who is responsible for coordination between provinces. The councils feel that national government can play the role of an arbiter, using insights from national-level monitoring. Since the sum of sub-national plans usually exceeds the total surface area available in the country, having a national

government act as an arbiter and protector of public interest is no luxury.¹⁸ This constitutes yet another argument against the two-level rule.

The councils feel that the provinces should be primarily responsible for timing the development of housing, employment and recreational facilities. National government can coordinate information on land-use demand, supervise the timing of development and, if needed, play the role of an arbiter.

Part III Better and faster implementation

Decentralisation does not automatically lead to better and faster implementation. Spatial planning often concerns matters that cut across different levels of scale and which demand the involvement of various parties simultaneously (e.g. provincial government, municipality, private sector, civil society). The councils feel that a number of additional measures are needed to ensure that spatial issues can be effectively tackled after decentralisation. Specifically, the councils argue for adaptive planning that includes 'replacement decisions' and the 'option value' principle, and for strengthening the regional agenda as an instrument.

In addition to the measures mentioned above, improving and expediting policy implementation can help reduce red tape. The councils commend government's initiative towards decentralisation. However, the combination of decentralisation and deregulation can have unforeseen consequences in practice. While reducing the administrative burden at a national level can make it easier to achieve spatial developments, this is not always the case. Significant differences in regulation can arise between regions when each is able to make up its own rules. This regulatory variety can complicate cross-border projects, thus undermining the original intent of decentralisation.

Adaptive planning: flexibility in space and time

Time is key factor when optimising spatial planning decisions. By taking into account the dynamics of relevant environmental factors and the available knowledge and techniques, one can book better results. The councils see two ways this can be achieved.

The first is called option value, which is a time-based strategy. This concept can be used in addition to the insightful proposals made by the Elverding committee on infrastructure planning: start broadly – including public participation – and gradually narrow this down towards solutions, and then move quickly to achieve them.¹⁹ This proposal is very applicable to spatial planning: the procedure to draw up a structure vision can be used as a vehicle to conduct a general survey. On the other hand, the councils also believe that in some cases it is preferable to take a strategic decision and wait before selecting a detailed design. It can make a lot of sense to keep thinking in terms of alternatives longer than usual to keep the various options open. This way, definitive decisions on, for example, the total capacity of an infrastructure project or the design of the preferred alternative, can be taken as late as possible. Postponing a definitive decision in order to take advantage of new knowledge and developments in the interim decreases the risk of making inefficient investments. In this sense, time is money, which is why it is called option *value*. For projects with a long timeframe, it makes sense to take certain implementation decisions as late as

¹⁸ The councils recall the Rekenen met Ruimte [Calculating with Space] report published by the Ministry of Housing, Spatial Planning and Environment (VROM) in 2000, in which the land-use demands of provinces exceeded the total surface area of the country by about the size of the province of South Holland.

¹⁹ See also: Council for Transport, Public Works and Water Management (2009). *Beter is sneller* [Better is faster]. The Hague: RVW.

possible – especially now when the markets are unstable and government funding is uncertain. This in no way reduces the need to make a strategic decision as early as possible so as to create clarity for other parties. This can be done in the structure vision. A strategic decision defines the general direction, while still leaving a number of options open. The option value is a way to create flexibility in time as well as space, and a strategy that is still not used intentionally enough in spatial planning.

The councils argue for taking a phased approach when considering the utility and necessity of spatial interventions. Take a strategic decision as soon as possible, but postpone detailed implementation decisions as long as possible.

A second way to creatively deal with time is by first taking decisions to reserve land for some future use, and elaborating this at a later date by means of a so-called replacement decision. This strategy was used for the Room for the River programme. National government first laid down its general objectives in a plan. If parties came with alternatives that would also achieve these objectives, they could replace the original plan with their own (see Box 1 for an account of the replacement decision in practice). The councils feel that more widespread use of this instrument will invite other parties to devise better solutions to planning challenges, thus preventing the ultimate outcome from becoming obstructed, obsolete or unworkable due to other developments.

Box 1: Room for the River

In preparation of this advice, the councils organised two meetings with experts and policymakers. When asked for examples of successful spatial initiatives, the participants repeatedly cited the Room for the River programme as an effective way to link the realisation of national objectives to regional development.

The objective of the programme was defined using clear criteria: the Dutch river system will need to be able to safely handle a flow of 16,000 m³ per second at the village of Lobith by 2015. The programme also took into account – an example of adaptive planning – that even more water will need to be handled (up to 18,000 m³/s) later in the century. In the period up to 2015, a series of measures were elaborated for implementation by the Directorate General for Public Works and Water Management (Rijkswaterstaat), and the necessary investment budget (about € 2 billion) reserved by national government.

The national spatial planning key decision (PKB) for Room for the River offers regions the opportunity to come up with alternative plans. These need to ensure at least as much discharge capacity exists in the tributary in question and that the plan will not block extra measures that could be made in the future (no regrets). The alternative plans can, in addition to achieving the water management objectives, create spatial quality by linking to other regional development ambitions – e.g. in the areas of transport, agriculture, ecology, landscape or recreation – or by treating existing qualities in a new way. National government elects to implement the regional alternative instead of its own sub-plan, and uses the funds reserved for this part of the river to this end (replacement decision).

The PKB not only provides for national government measures or the possibility of replacement decisions, it also uses the statutory planning system to reserve a number of essential areas to realise plans in the second phase (after 2015) in the event that it is necessary to deal with volumes greater than 16,000 m³/s. In the short term, these areas can be used for the realisation of regional plans if it can be demonstrated that the plan contains enough capacity and flexibility to handle 18,000 m³/s of water. This is an important consideration when taking a replacement decision that will supplant the statutory reservation.

Room for the River pays a lot of attention to the notion of spatial quality. National government has invested considerable energy in taking stock of the existing qualities (making information available). Spatial qualities are also involved in the consideration of the initial policy measure package (taking responsibility for spatial quality as initiator). In addition, national government has set up a quality control team to guide the design and implementation plans. The responsibility of national government for spatial quality is not unlimited however. The optional extras that provide the added value to the regional plans will need to be funded by regional sources – public or private.

Use the regional agenda to unite administrative levels²⁰

The regional agenda concept was introduced in 2007, together with the Multi-Year Plan for Infrastructure, Spatial Planning and Transport (MIRT). Regional agendas contain the visions, ambitions and challenges for particular areas as formulated by the governments themselves. The focal point of the regional agenda is comprised of challenges and projects in the areas of transport, commerce, housing, nature, landscape and water. The regional agenda can be seen as a spatial cross-section of projects in the structure visions of the government bodies involved. The regional agenda is used as a tool to negotiate on the urgency and importance of projects, or project combinations. The urgency determines the status of projects in MIRT, and thus helps to determine the level of national government financing.

The role of the regional agenda as a formal linkage between the structure visions of the different governmental levels involved underlines the importance of a good structure vision. The regional agenda, together with the annual administrative consultations on it, makes it a very suitable instrument to adapt the timing of spatial developments to changing administrative or economic conditions. In addition to a desire for flexibility in the regional agenda, there is also a need for continuity: this must be secured in structure visions. The councils feel that continuity in structure visions will help these long-term visions to link up well to the short-term prioritising in the regional agenda. The councils also warn against the tendency for each newly elected administration to draw up a new structure vision. A complicating factor is that there is little order to the publication of national, provincial and municipal visions in time.

The councils additionally argue that the regional agendas should be accompanied by more clarity from national government about the funding of regional projects. The councils feel that a logical consequence of decentralisation is that regions become more responsible for reprioritising investment decisions. The councils therefore argue that regions should be awarded more say about how the money in MIRT is spent. Regional insights regarding the coordination between networks and land use, together with the deployment of regional resources, should be able to lead to a reprioritisation of national government funds in the regional agendas. The region should be the first to make this reprioritisation.

The councils observe that in order for the regional agendas to be used effectively as a framework to integrate spatial ambitions at various levels of scale, the underlying structure visions should not be subjected to a short renewal period. The councils also recommend increasing the say of regions over the MIRT funds.

Part IV In conclusion: receptivity to initiatives from civil society

As stated earlier in this advice, the councils greatly admire the fact that government is so resolutely seeking to solve some fundamental problems in the spatial planning system. The councils also wish to stress that only some spatial interventions and initiatives come from government; many come from citizens, entrepreneurs, interest groups and coalitions thereof. It is therefore not only important to improve interaction between governments in spatial planning, but also to set up a system that facilitates society to come up with initiatives. The councils feel it is very problematic if governments are unreceptive to initiatives presented to them, and view receptivity as a precondition for more inclusive spatial planning. Structure visions should not only accommodate initiatives, they should also inspire them. The councils urge experimentation with methods to

²⁰ The relationship between structure vision and regional agenda will be elaborated further in an upcoming advice.

stimulate the forging of regional coalitions such as the German International Building Exhibitions (IBA) and *Regionale*.

Box 2: Creating a catalyst for regional coalitions the IBA way

The successful IBA method was applied in Germany to bring about a transformation in areas struggling with economic decline. Originating as an architectural exhibition, the IBA has matured into a long-term programme to stimulate weak cities or regions with new ideas and projects. The IBA functions as a catalyst for transformation and innovation. An IBA is set up in a particular area for a period of approximately ten years, with the assumption that it will be self-sufficient afterwards. The most famous IBA is probably Emscher Park in the Ruhr area. Other recent IBAs include Saksen-Anhalt (shrinking cities) and Hamburg (urban regeneration). At present, three IBAs are being carried out at the same time.

When a city or region elects to organise an IBA, an informal temporary partnership is set up independent of existing administrative structures. Individuals and coalitions of businesses, citizens, interest groups and municipalities (such as for the IBA Emscher Park) can all submit project proposals to be developed further under the IBA banner. The projects are funded by coordinating and redirecting existing public resources and by mobilising private funding. In the Netherlands, an IBA has already been organised for Whimby (Hoogvliet), while Parkstad Limburg is exploring this option.²¹

The Regionale

Since 1997, the Federal State of North Rhine-Westphalia used the 'Regionale' (a combination of the words 'region' and 'biannual') as a way to promote regional development. A Regionale is a project-based regional partnership offering a podium for regions to present themselves. Every two years (or three years since 2010), teams of local authorities can compete for the status of a Regionale with a proposed vision for the region (including a strategy, projects and results). The winning team receives priority in the existing economic development programme. The goal of a Regionale is to strengthen the identity (internal) and profile (external) of regions. Over the next few years, projects are developed in the areas of city, landscape, culture, tourism, economy and education, and are awarded points or stars. At the end of the Regionale, the results of all projects are presented. The Regionale does not work with its own money, but coordinates streams of funds from municipal, state and federal governments and the European Union. Various Regionales have taken place in Germany, and Limburg/Maastricht participated in the 2008 EuRegionale (see www.regionalen.nrw.de). It is not always easy to accommodate unsolicited proposals and initiatives from non-governmental bodies for new spatial developments. Governments will need to get used to enthusiastically supporting these kinds of initiatives and ensuring that the evaluation process (e.g. environmental impacts) is not too demotivating. The councils see several ways to achieve this. Governments can set up expert centres to help initiators navigate the design and planning process, for example. The replacement decision principle, as discussed in the Room for the River programme, could be used more regularly. This also means that governments need to be very clear about their objectives. Only then can a private party see which targets need to be met by an alternative plan.

In order to generate initiatives for spatial development by citizens, entrepreneurs, interest groups and coalitions thereof, the councils recommend experimenting with instruments that stimulate this, such as the German IBA and Regionale.

In order to allow initiatives from society to blossom, governments must ensure that they themselves are well organised. The councils see good opportunities for this if the efforts of government towards decentralisation are combined with the recommendations made in this advice. The confidence in sub-national governments to move ahead is not misplaced. Of course, the proposed changes cannot be achieved overnight. Especially in view of the very recent changes in the planning system, sub-national governments will need time to figure out the best way to carry out their new tasks and responsibilities.

²¹ RPB (2004). *Ontwikkelingsplanologie* [Developmental planning]. Rotterdam: NAI; Van Dooren, N. (1999). De onzekere toekomst van een vernieuwingsimpuls in het Ruhrgebied [The uncertain future of renewal in the Ruhr area]. *Blauwe Kamer*, 8 (4) 52-59.


Sincerely,

On behalf of the Councils for the Environment and Infrastructure,



G.J. Jansen

Chair of the Council for Transport,
Public Works and Water Management



R. Hillebrand

General secretary of the Councils for
the Environment and Infrastructure

Appendix 1: List of contributors

Members of the Council for the Rural Area

A.J.A.M. Vermeer, chair
G. Meester
P.J.H.D. Verkoelen

Members of the Council for Transport, Public Works and Water Management

G.J. Jansen, chair
M.E. van Lier Lels, member council committee
M.P.M. Ruigh - van der Ploeg

Members of the VROM Council

H.M. Meijdam, chair chair council committee
N.S.J. Koeman, member council committee
A.J.M. Roobeek

External members of council committee

J.T. Mommaas
H. Priemus
J. Schrijnen

General secretary of the Councils for the Environment and Infrastructure

R. Hillebrand

Staff members involved in this advice

M.E. Bouwman
L.B.J. van Duinen
D. Hamhuis
S. Overklift Vaupel Kleijn

Essays on decentralisation by

D.B. Needham
A.A.J. de Gier
P.P. Witsen

Consulted experts

R. Kuiper, Netherlands Environmental Assessment Agency
T. Zwanikken, Royal Haskoning

Expert meeting participants

E.J.M.M. Arts, University of Groningen
P.M. Bertholet, Parkstad Limburg
W.W. Buunk, Windesheim University of Applied Sciences
G.C.F.M. Depla, City of Eindhoven
J.J.M. Hemel, City of Amsterdam
J. Janssen, Wageningen University / Province of North Brabant
H.C.W.G. Keereweer, Province of Gelderland
K. Martens, Radboud University Nijmegen
C.H.M. van Steenhoven, DTZ Zadelhoff
D. Strijker, University of Groningen
M.A.J. van der Tas, City of Steenwijkerland
G.R. Teisman, Erasmus University Rotterdam
J. de Vries, University of Amsterdam
J.B.R. Wijma, Region of Groningen-Assen
W.A.M. Zonneveld, Delft University of Technology

Other

Editorial advice

Catherine Gudde – Paradigma producties

Translation

David Evers

Advice number 2011/02

The Dutch-language essays on decentralisation of spatial planning accompanying this advice can be obtained at www.rli.nl/toekomst-van-het-ruimtelijk-beleid/essays

Contact: Dick Hamhuis, tel. +31 (0)70-4562070, secretariaat@rli.nl

archive number: RLI 2011-08

