

# **Sustainability Appraisal /Strategic Environmental Assessment (SEA/SA) of the Strategy**

Draft Report

December 2005

SEEDA

# Strategic Environmental Assessment/Sustainability Appraisal (SEA/SA) of the Strategy

December 2005

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For and on behalf of  
Environmental Resources Management

Approved by: Alistair Fulton

Signed:



Position: Partner

Date: December 2005

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**1.1 SUSTAINABILITY REPORT**

The Regional Economic Strategy for the South East (RES) – is being prepared by South East of England Regional Development Agency (SEEDA), the statutory body charged with overseeing the economic development of the region.

As part of the process of developing the South East RES, SEEDA has commissioned Environmental Resources Management (ERM) to undertake a Strategic Environmental Assessment/Sustainability Appraisal (SEA/SA) of the Strategy<sup>1</sup>.

This Appraisal has been based on the Consultation Document issued by SEEDA in November 2005. The appraisal of alternatives has been carried out based on the option scenarios presented in the SEEDA report ‘sustaining success in a prosperous region: Economic implications of the South East Plan’ published in March 2005 prepared by Deloitte.

The Appraisal follows an iterative process, providing an independent view of the likely implications of proposals and policies which can then be taken into consideration throughout the development of the South East Regional Economic Strategy. The findings of this appraisal, along with the responses received through the public consultation, will be used to inform the development and refinement of the RES prior to its submission to the Government.

The report is structured as follows:

*Section 2* sets out the context to the Sustainability Appraisal, and information on the methodology that has been used for this study.

*Section 3* provides information on the Appraisal Scope, i.e. on what issues the appraisal is investigating, and why.

*Section 4* presents the Sustainability Appraisal of the Draft RES

*Section 5* outlines issues concerning Implementation and Monitoring

*Section 6* presents the Conclusions and Next Steps to the Appraisal

In addition, the following annex is available:

- *Annex A: Review of Relevant Plans, Policies and Strategies*
- *Annex B: Review of Baseline Economic, Social and Environmental Conditions in the Region*
- *Annex C: Detailed Appraisal Outputs*

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(1) <sup>1</sup> For the purposes of this Report, the Strategic Environmental Assessment/Sustainability Appraisal process will be known as the SEA/SA or the ‘Sustainability Appraisal’ (or simply ‘Appraisal’).

In line with Government guidance, this Appraisal aims to meet the requirements of Strategic Environmental Assessment (SEA) within the wider remit of a Sustainability Appraisal, thereby covering economic, social and environmental issues in an integrated way. This report therefore does not contain a separate Environmental Report dealing with issues pertaining solely to an SEA.

In the absence of a stand-alone Environmental Report, guidance suggests that a table should be included in the Sustainability Appraisal Report signposting the components of the report which would make up the Environmental Report, this is outlined in Table 1.1 below:

**Table 1.1** *Environmental Report Key Components*

<b>Key Components</b>	<b>Report Location</b>
The Environmental Report will detail the likely significant effects on the environment of implementing the plan or programme, and reasonable alternatives taking into account the objectives and geographical scope of the plan or programme, are identified, described and evaluated. The information to be given is (Art. 5 and Annex I):	The information required of an Environmental Report will be provided in each report of the Sustainability Appraisal (ie. Draft and Final)
a) An outline of the contents, main objectives of the plan or programme, and relationship with other relevant plans and programmes;	Scoping/ Annex B Draft Report
b) The relevant aspects of the current state of the environment and the likely evolution thereof without implementation of the plan or programme;	Scoping/ Annex A Draft Report
c) The environmental characteristics of areas likely to be significantly affected;	Scoping/ Annex B Draft Report
d) Any existing environmental problems which are relevant to the plan or programme including, in particular, those relating to any areas of a particular environmental importance, such as areas designated pursuant to Directives 79/409/EEC and 92/43/EEC.;	Scoping/ Annex B Draft Report
e) The environmental protection objectives, established at international, Community or national level, which are relevant to the plan or programme and the way those objectives and any environmental, considerations have been taken into account during its preparation;	Scoping/ Annex A Draft Report
f) The likely significant effects on the environment, including on issues such as biodiversity, population, human health, fauna, flora, soil, water, air, climatic factors, material assets, cultural heritage including architectural and archaeological heritage, landscape and the interrelationship between the above factors. (Footnote: These effects should include secondary, cumulative, synergistic, short, medium and long-term permanent and temporary, positive and negative effects);	Scoping/ Draft Report

g) The measures envisaged to prevent, reduce and as fully as possible offset any significant adverse effects on the environment of implementing the plan or programme;	Final Sustainability Appraisal Report.
h) An outline of the reasons for selecting the alternatives dealt with, and a description of how the assessment was undertaken including any difficulties (such as technical deficiencies or lack of know-how) encountered in compiling the required information;	Draft and Final Sustainability Appraisal Reports
i) a description of measures envisaged concerning monitoring in accordance with Art. 10;	Draft and Final Sustainability Appraisal Reports
j) a non-technical summary of the information provided under the above headings	Draft and Final Sustainability Appraisal Reports
The report must include the information that may reasonably be required taking into account current knowledge and methods of assessment, the contents and level of detail in the plan or programme, its stage in the decision-making process and the extent to which certain matters are more appropriately assessed at different levels in that process to avoid duplication of the assessment (Art. 5.2)	Draft and Final Sustainability Appraisal Reports

## 2.1 THE SOUTH EAST RES

### 2.1.1 What is the South East Regional Economic Strategy?

The South East Regional Economic Strategy (RES) is being prepared by SEEDA South East (SEEDA), the Regional Development Agency for the South East.

In accordance with Section 3 of DTI Guidance to RDA on Regional Strategies:

*'The Regional Economic Strategy must have a clear focus on economic development but the Strategy and action to implement it must be based on the principle of sustainable development. The RES should include a full sustainability appraisal, informed by the Regional Sustainable Development Framework or the equivalent in the region, in order to identify the contribution that it will make to sustainable development, including showing how it will foster:*

- *high and stable levels of economic growth and employment;*
- *social progress which recognises the needs of everyone (including all social and ethnic groups);*
- *effective protection of the environment and prudent use of natural resources;*  
*and*
- *integration of economic, social and environmental objectives which will contribute to the development of sustainable communities'.*

## 2.2 WHAT DOES THE RES DO?

The Regional Development Agencies (RDAs) have been provided with guidance from the DTI as to what the objective and scope of a RES should be, this noting that:

*'The fundamental purpose of the RES is to improve economic performance and enhance the region's competitiveness, addressing market failures which prevent sustainable economic development, regeneration and business growth in the region'*

Whilst the primary objective of the RES is economic in focus, the Guidance notes the requirements for such economic development to be sustainable and to align with the Regional Sustainable Development Framework, which underpins all regional strategies.

### 2.3 THE RES CONSULTATION DOCUMENT

The primary vision of the RES is that by 2016 *'the South East will be a world class region achieving sustainable prosperity'*. Sustainable prosperity is defined within the region as one which:

- Builds on excellence and plays to its strengths;
- Invests in potential across the region and reduces under-performance;
- Safeguards quality of life as a competitive advantage.

The RES identifies 6 key drivers through which such prosperity will be achieved, these being:

- Employment
- Enterprise
- Innovation and creativity
- Skills
- Competition and business regulation
- Investment in infrastructure

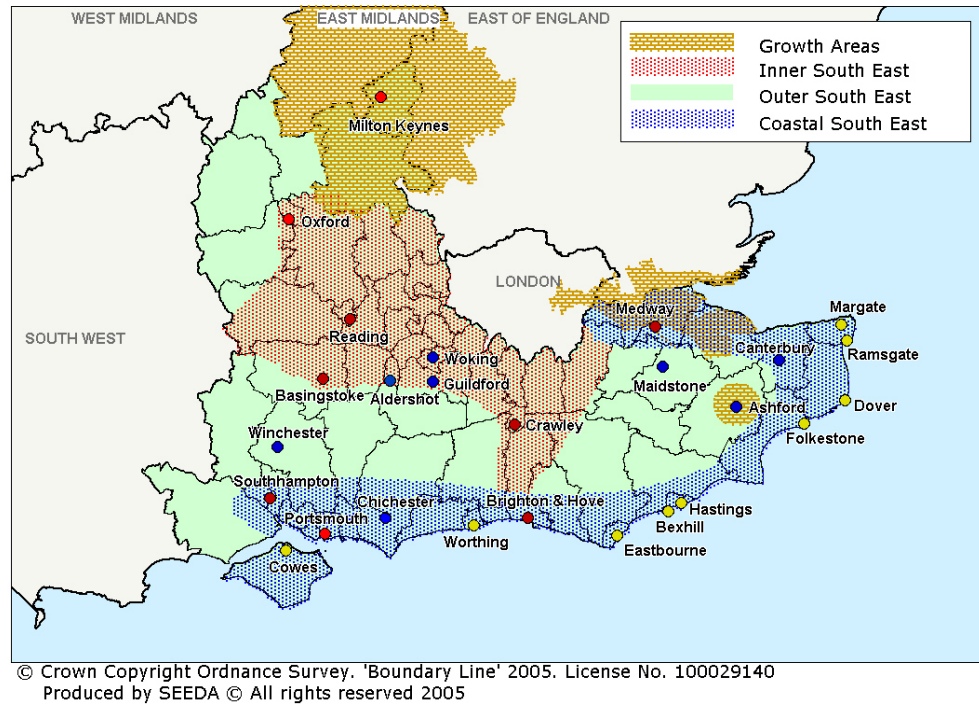
Through each of these drivers, the RES identifies key objectives and the tasks which will have to be completed to fulfil these objectives.

The RES is a regional wide strategy for economic development. Integral to this, however, is recognition of the socio-economic disparities which exist within the region. Three key areas have been identified, as demonstrated in Figure 2.1, these being: the Inner South East, Outer South East and Coastal South East. Specific issues are raised in relation to these areas, within the context of the wider framework of the RES.

- The Inner South East: tackling the pockets of deprivation which exist; investment in infrastructure and maintaining the high quality environment
- The Outer South East: addressing the need to harness quality of life as a source of competitive advantage; reconfiguring rural towns as economic hubs or centres and addressing deprivation through better access
- The Coastal South East: using the urban settlements as a focus for economic development; and reinvigorating the coastal towns

In identifying these three areas, the RES Consultation Document addresses the particular issues which arise in relation to the primary objectives and the tasks outlined to deliver them. In so doing, the Consultation Document is offering a framework through which its vision of sustainable prosperity will be delivered region-wide through ensuring the three zones are targeted individually, in terms of key needs.

Figure 2.1 Economic Zones within the RES



## 2.4 COMMITMENT TO SUSTAINABLE DEVELOPMENT

Underpinning the strategy and embedded within the 6 key drivers, applicable across the zones, is the commitment to sustainable development. The RES Consultation Document notes that *'Regional economic prosperity must be secured within the context of sustainable development principles. The Integrated Regional Framework provides a reference point for testing this, as does the UK Sustainable Development Strategy 'Securing the Future'*.

The document outlines how it seeks to address the issues raised under the four key strands of 'Securing Our Future', demonstrating its commitment to addressing and delivering upon sustainable development. This relationship is summarised in Table 2.1,

**Table 2.1** *Priorities Under Securing Our Future and the RES*

<b>Securing Our Future - Priorities</b>	<b>RES Approach and Key Issues</b>
Sustainable Consumption and Production	Boosting competitiveness and minimising waste. The region's strong research base good representation of businesses in both the product design and environmental technology sectors
Climate change and energy	Acknowledging the importance of the issue of climate change upon the region; minimising the region's contribution to and creating adaptation measures for it. Addressing the potential energy gap for the region and both creating and marketing innovative solutions to future energy provision
Natural Resource Protection and Environmental Enhancement	Recognising that ' <i>the quality of the natural and built environment, together with the region's outstanding cultural assets, is a major element in the quality of life in the South East</i> '; capitalising upon the value which the environment has in attracting businesses to the region; recognising the issue of water resources and the need for careful planning
Sustainable Communities	Acknowledging that poverty coexists alongside economic wealth; addressing the need for equality and the disadvantages which sections of society encounter; emphasising the importance of addressing health. There is recognition of the importance of the community and voluntary sector within the region.

For each of the main areas of the consultation document, the RES additionally identifies the main sustainability options and opportunities which emerge from within them the so-called 'Sustainability Dividend'. This serves to reinforce the priority which is being accorded to the delivery of sustainable prosperity across the region; augmented by the attention to the need to address specific spatial issues such as pockets of deprivation, maintenance of a high quality environment and enhanced access.

## 2.5 *SUSTAINABILITY APPRAISAL*

### 2.5.1 *What is Sustainability Appraisal?*

This Appraisal aims to predict and assess the economic, social and environmental effects which are likely to arise from the Draft South East RES. The Appraisal, therefore, integrates two processes:

- *Sustainability Appraisal (SA)*, a process for understanding whether policies, strategies or plans promote sustainable development, and for improving those policies etc to deliver more sustainable outcomes.

- *Strategic Environmental Assessment (SEA)*, a process for assessing and mitigating the negative environmental impacts of specific plans and programmes. SEA is required for Regional Spatial Strategies under EU Directive 2001/42, transposed into UK law by the *Environmental Assessment of Plans and Programmes Regulations 2004*.

The Appraisal process has been designed to meet the statutory requirements applying to both SA and SEA, as explained in official guidance provided by ODPM. In particular, the appraisal process has been developed in reference to the ODPM Consultation Paper on *Sustainability Appraisal of Regional Spatial Strategies and Local Development Frameworks* (September 2004) and ODPM's 'A Practical Guide to the Strategic Environmental Assessment Directive' published in September 2005.

In accordance with best practice and after consultation with the Steering Group, this Appraisal has also taken into account the key proofing guidance in respect of Health Impact Assessment (HIA) <sup>(1)</sup>, Rural Proofing <sup>(2)</sup>, 'age proofing'<sup>3</sup> and 'future proofing' <sup>(4)</sup>. This Appraisal has also reviewed the RES Consultation Document from an Equalities perspective.

#### *Assessment of Cumulative Impacts*

Assessment of cumulative impacts is a key component of SA/SEA. The Appraisal team is in the process of developing a cumulative impact assessment of the RES with the assistance of SEEDA and the SEA/SA Steering Group. This assessment will be presented in the Final Sustainability Appraisal Report.

## 2.5.2

### *Sustainability Appraisal Process*

Sustainability Appraisal is an iterative process that identifies and reports on the likely significant effects of the plan, and the extent to which implementation of the plan will support the social, environmental and economic objectives by which sustainable development can be defined. As such, the assessment should:

- take a long term view of whether and how the area covered by the Strategy expected to develop;

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(1) HIA is a decision-making tool that takes account of the potential effects of a proposal on the health of its target population. It aims to improve the health of communities and individuals; reduce health inequalities, work toward sustainable development; promote fairness and equality for all, target disadvantaged and marginalized groups; and encourage participation of all affected.

(2) Rural Proofing is a commitment by the Government to ensure that all its domestic policies take account of rural circumstances and needs. This means that as policies are developed, policy makers should systematically consider whether their policy is likely to have a different impact in rural areas, because of rural circumstances and needs; assess the significant impacts; adjust the policy where necessary with solutions to meet rural needs and circumstances.

(1) <sup>(3)</sup> Age proofing toolkit being published by Age Concern, amongst others, to ensure that the potential effects of a proposal, policy or framework on the older/elderly sections of the community; recognising the growing, ageing characteristic of the population.

(4) Future Proofing is a process, which seeks to ensure that the policy development process has taken full account of potential longer-term change. It is designed to make plans more aware of opportunities, provide early notice of new challenges, help them manage change and manage risk.

- provide a mechanism for ensuring that sustainability objectives are translated into Strategic Programmes and plans;
- reflect global, national, regional and local concerns;
- provide an audit trail of how the Strategy has been revised to take into account the findings of the appraisal; and
- form an integral part of all stages – including the earliest possible stages – of Strategy preparation.

Table 2.1, below, outlines the key requirements of the SEA Directive and how these have and will be addressed through this Sustainability Appraisal process.

**Table 2.1** *Summary of the Requirements of the SEA Directive*

<b>Requirements</b>	<b>Where covered in SA process (Stage)</b>
<b>Preparation of an environmental report</b> in which the likely significant effects on the environment of implementing the plan or programme, and reasonable alternatives taking into account the objectives and geographical scope of the plan or programme, are identified, described and evaluated. The information to be given is (Art. 5 and Annex I):	The information required of an Environmental Report will be provided in each report of the Sustainability Appraisal (ie. Draft and Final)
k) An outline of the contents, main objectives of the plan or programme, and relationship with other relevant plans and programmes;	Scoping/Draft and Final Appraisal Report
l) The relevant aspects of the current state of the environment and the likely evolution thereof without implementation of the plan or programme;	Scoping/Draft and Final Appraisal Reports
m) The environmental characteristics of areas likely to be significantly affected;	Scoping/Draft Appraisal and Final Appraisal Report
n) Any existing environmental problems which are relevant to the plan or programme including, in particular, those relating to any areas of a particular environmental importance, such as areas designated pursuant to Directives 79/409/EEC and 92/43/EEC.;	Scoping/Draft Appraisal and Final Appraisal Report
o) The environmental protection objectives, established at international, Community or national level, which are relevant to the plan or programme and the way those objectives and any environmental, considerations have been taken into account during its preparation;	Scoping/Draft Appraisal and Final Appraisal Report
p) The likely significant effects on the environment, including on issues such as biodiversity, population, human health, fauna, flora, soil, water, air, climatic factors, material assets, cultural heritage including architectural and archaeological heritage, landscape and the interrelationship between the above factors. (Footnote: These effects should include secondary, cumulative, synergistic, short, medium and long-term permanent and temporary, positive and negative effects);	Scoping/Draft Appraisal and Final Appraisal Report

<b>Requirements</b>	<b>Where covered in SA process (Stage)</b>
q) The measures envisaged to prevent, reduce and as fully as possible offset any significant adverse effects on the environment of implementing the plan or programme;	Final Sustainability Appraisal Report.
r) An outline of the reasons for selecting the alternatives dealt with, and a description of how the assessment was undertaken including any difficulties (such as technical deficiencies or lack of know-how) encountered in compiling the required information;	Draft and Final Sustainability Appraisal Reports
s) a description of measures envisaged concerning monitoring in accordance with Art. 10;	Draft and Final Sustainability Appraisal Reports
t) a non-technical summary of the information provided under the above headings	Draft and Final Sustainability Appraisal Reports
The report must include the information that may reasonably be required taking into account current knowledge and methods of assessment, the contents and level of detail in the plan or programme, its stage in the decision-making process and the extent to which certain matters are more appropriately assessed at different levels in that process to avoid duplication of the assessment (Art. 5.2)	Draft and Final Sustainability Appraisal Reports
<b>Consultation:</b>	
<ul style="list-style-type: none"> <li>authorities with environmental responsibility, when deciding on the scope and level of detail of the information which must be included in the environmental report (Art. 5.4)</li> </ul>	Scoping
<ul style="list-style-type: none"> <li>authorities with environmental responsibility and the public, shall be given an early and effective opportunity within appropriate time frames to express their opinion on the draft plan or programme and the accompanying environmental report before the adoption of the plan or programme (Art. 6.1, 6.2)</li> </ul>	Draft and Final Sustainability Appraisal Reports
<ul style="list-style-type: none"> <li>other EU Member States, where the implementation of the plan or programme is likely to have significant effects on the environment of that country (Art. 7).</li> </ul>	Not Applicable
<b>Taking the environmental report and the results of the consultations into account in decision-making (Art. 8)</b>	Final Sustainability Appraisal Report
<b>Provision of information on the decision:</b> When the plan or programme is adopted, the public and any countries consulted under Art.7 must be informed and the following made available to those so informed: <ul style="list-style-type: none"> <li>the plan or programme as adopted</li> <li>a statement summarising how environmental considerations have been integrated into the plan or programme and how the environmental report of Article 5, the opinions expressed pursuant to Article 6 and the results of consultations entered into pursuant to Art. 7 have been taken into account in accordance with Art. 8, and the reasons for choosing the plan or programme as adopted, in the light of the other reasonable alternatives dealt with; and</li> <li>the measures decided concerning monitoring (Art. 9)</li> </ul>	The Final Sustainability Appraisal Report
<b>Monitoring</b> of the significant environmental effects of the plan's or programme's implementation (Art. 10)	Final Sustainability Appraisal Report
<b>Quality Assurance:</b> environmental reports should be of a sufficient standard to meet the requirements of the SEA Directive	Final Sustainability Appraisal Report

### 2.5.3 *Work Carried Out to Date*

As fulfils current Government Guidance, a Scoping Report was published for consultation. The consultation responses received have been reviewed in the drafting of this report and the key issues raised by the consultees are presented in section 2.6 and Table 2.1 of this report. As noted previously, this Draft Report comprises the components of an Environmental Report under the SEA Directive, whilst also addressing wider social and economic considerations. This Draft Report is being published for public consultation in compliance with the SEA Directive and Government Guidance.

### 2.5.4 *Appraisal Team*

This appraisal is being carried out by Environmental Resources Management (ERM) on behalf of SEEDA.

To assist the SA process, SEEDA established a Steering Group to assist in informing the undertaking of the SEA/SA of the RES. The Steering Group includes representatives of regional stakeholders, including Statutory Agencies.

### 2.5.5 *What Difference is the Appraisal Making?*

The Sustainability Appraisal team is working with the SEEDA to create a detailed record of how the appraisal has influenced the development of the RES. This will be included in the Final Sustainability Appraisal Report.

Key findings from the appraisal process to date have been shared with those developing the RES at both regional and sub-regional levels. This will continue during the process of developing the Final Sustainability Appraisal.

## 2.6 *CONSULTATION REPONSES ON THE SUSTAINABILITY APPRAISAL*

As part of the overall consultation on the Draft RES, consultation responses have been received which relate specifically to the Sustainability Appraisal Scoping Report. The comments from the statutory agencies have been collated and are outlined below in respect of the generic issues covering process and structure and specific issues which are addressed individually or collectively, where they relate to key issues.

A key part of the development of the Appraisal will be the review of consultation responses to the RES relating to issues covered by the IRF and how, crucially, the RES takes account of those responses. This will inform the Final Sustainability Appraisal of the RES.

## 2.6.1

### *Overarching Comments*

The following overarching issues relate to the process and structure of the Appraisal as raised by consultation respondents include:

- Content of the Sustainability Appraisal and the Data Used

The Sustainability Appraisal is making use of the best data that is publicly available. In addition, regional stakeholders and some of the consultation responses themselves have provided useful data to make the appraisal more robust.

The evidence base for the appraisal and the RES is growing continuously and the appraisal will continue to draw on new data as it becomes available.

- The Sustainability Appraisal Process

The process used to date has followed ODPM guidance. It has also drawn on best practice and the advice of groups such as the Steering Group.

The Sustainability Appraisal team will continue to ensure that the latest guidance on the appraisal process from ODPM is used. They will also continue to work with *SEEDA* and the Steering Group on the appraisal process.

- The Appraisal Framework

The framework that has been used to assist in the appraisal of the Draft RES is based on the region's Integrated Regional Framework. This contains a series of objectives designed to assist the region follow a sustainable model of regional development.

The appraisal team has drawn upon a range of experts in the drafting of the detailed appraisal questions. The appraisal team recognises that it needs to ensure that the framework is consistently applied and interpreted and will be working with both *SEEDA* and the Steering Group on these issues.

- The Influence of the Sustainability Appraisal on the Draft RES

Several consultation responses have raised the issue of how the influence of the appraisal on the RES will be demonstrated. It has been recognised by the *SEEDA* and the appraisal team that this is both a requirement of the Regulations and an extremely useful tool and a mechanism for recording the effect of the appraisal on the policies and the RES is currently being developed.

Information on how the Sustainability Appraisal has influenced the RES will be presented in the Final Sustainability Appraisal Report.

### 2.6.2 *Specific Comments*

Table 2.1 outlines the specific issues raised by the statutory consultees during the course of the consultation period on the Scoping Report of the SEA/SA. The specific comments have been collated into key issue areas, which are as follows:

- Baseline data
- IRF questions
- RES delivery
- RES Content – key sustainability issues
- SEA/SA process

It is important to note that the issues raised will continue to be considered throughout the Appraisal process, culminating in the Final Sustainability Appraisal Report.

**Table 2.1 SEA/SA Scoping Report Consultation Responses**

Key Issue Areas	Issues Raised by Respondents	Responses to Issues Raised
<p><b>Baseline Data and Policy Review</b></p>	<ul style="list-style-type: none"> <li>• Refer to the SEEBF’s Annual Monitoring Report for habitat groups and ‘traffic light system’</li> <li>• Refer to the Local Biodiversity Record Centres</li> <li>• Refer to where SSSIs have been adversely affected by economic development</li> <li>• Note the effect of coastal squeeze on SSSIs and SPAs; refer to Coastal Spatial Area within RES</li> <li>• Recognise geological and natural processes</li> <li>• Include geological data, including GCR sites and RIGGs</li> <li>• A biodiversity assets map could be included</li> <li>• Annex C – biodiversity section should be updated</li> <li>•</li> <li>• Include ‘The Historic Environment: A Force for our Future’ and the Valetta Convention on the Protection of the Archaeological Heritage</li> <li>• Clarify the units of measurement in B10.1.1 and Table 10.1</li> <li>• Stronger reference should be made to provision of additional environmental infrastructure in the region (IRF 8) and the cumulative strategic transport initiatives for rural areas ((IRF 15)</li> <li>• Check source of Figure 13 Regional Landscapes</li> <li>• Additional policies, programmes and strategies have been suggested for inclusion</li> <li>• Acronyms should be explained</li> <li>• Not all sources and dates are provided for</li> <li>• Clarify that there will be two Sustainability Reports: Draft and Final</li> <li>• The ‘draft’ SEA/SA should be renamed the Draft Sustainability/Environment Report</li> </ul>	<ul style="list-style-type: none"> <li>• Noted and will be included in Final Sustainability Report</li> <li>• Noted and included</li> <li>• Noted and will refer to English Nature for advice on this</li> <li>• Noted. Economic development can influence coastal squeeze, with potential adverse impact on SSSIs and SPAs as suggested. The Appraisal takes this into consideration.</li> <li>• Noted. Further information will be sought from English Nature.</li> <li>• Noted. GCR data has been included and RIGG data will be included</li> <li>• Noted. Will liaise with English Nature to produce map for Final Report</li> <li>• As a result of consultation responses, we have deleted Annex C, which was not thought to be directly relevant to the SEA/SA of the RES</li> <li>• Noted and will be included</li> <li>• Noted and included</li> <li>• Noted and will be addressed.</li> <li>• Noted and amended.</li> <li>• The suggestions are noted and additions will continue to be made as appropriate to the review of the RES</li> <li>• Noted. A glossary of acronyms will be included in the Final Report</li> <li>• Noted and will be amended for Final Report</li> <li>• Noted and re-emphasised.</li> <li>• Noted and redrafted</li> </ul>

	<ul style="list-style-type: none"> <li>The REWARD model has been relaunched as SCPNet, the Sustainable Consumption and Production Network</li> <li>The Review of Objectives in Annex A of the Scoping Report is questioned as being too spatially and not economically focused</li> <li>The list of indicators in Annex A may be insufficient if all of the suggested additional strategies and plans have not been incorporated</li> <li>It is suggested that there are 'significant gaps' in data provision for a range of IRF objectives because not all of the suggested additional adapt has been incorporated.</li> <li>Questioned the absence of Objective 9 data in the baseline data section.</li> <li>Lists of key data/indicators and actual data don't match up for all sections.</li> <li>Reword Section B3.2</li> </ul>	<ul style="list-style-type: none"> <li>Noted and renamed.</li> <li>Noted and will be reviewed.</li> <li>As noted previously, the suggested plans and programmes will continue to be included, as appropriate. ERM will continue to review the proposed monitoring framework for the RES when this is prepared and will ensure appropriate coverage of SD issues.</li> <li>Additional data is being sought for certain objectives and will be included as appropriate.</li> <li>Noted and will be addressed for Final Report.</li> <li>Noted and are being reviewed.</li> <li>Noted and will be included.</li> </ul>
<b>IRF questions</b>	<ul style="list-style-type: none"> <li>Will climate change be considered?</li> <li>Note that the historic environment must be aligned not only with the countryside (Objective 14) but also with the wider context of development within settlements and PDL (Objective 10)</li> <li>Question 14 should not seek to dilute the importance of protection by its wording of 'seek to protect'</li> </ul>	<ul style="list-style-type: none"> <li>Climate change is a key cross-cutting issue and will be considered throughout the Appraisal; climate change is of relevance to a range of IRF objectives and will also be looked at in the cumulative impact assessment.</li> <li>Noted; The historic environment will be considered within both these contexts throughout the Appraisal</li> <li>Noted.</li> </ul>
<b>Appraisal Framework</b>	<ul style="list-style-type: none"> <li>Section 8.1 should include cumulative effects</li> <li>Clarify the symbols used in the Appraisal</li> <li>Wherever possible, 'win-win-win' outcomes and integrated delivery should be recommended</li> <li>Additional rural proofing of Objectives 16.4 and 24, is sought.</li> </ul>	<ul style="list-style-type: none"> <li>Noted; cumulative effects are a key component of the SEA/SA and will be considered in full</li> <li>The symbol for 'not assessed/unable to assess' should be clearly distinguished from 'neutral impact/effect'</li> <li>Noted. Agreed.</li> <li>Noted and will be addressed.</li> </ul>

<p><b>SEA/SA process and the RES</b></p>	<ul style="list-style-type: none"> <li>• Noting the importance of PPGs15/16 and PPS1</li> <li>• Refer to ‘SEA &amp; Biodiversity Guidance for Practitioners’ and ‘Cumulative Effects Toolkit’ (EN)</li> <li>• The SEA/SA should address biodiversity, geodiversity and wider environment/ natural resources</li> <li>• The SE/SA process must feed into/influence the RES production; must be able to demonstrate transparency and accountability in terms of its contribution to developing the RES</li> <li>• ECJ ruling on the UK’s transposition of the EC Habitats Directive may require additional assessment to be undertaken; Government guidance is pending</li> </ul>	<ul style="list-style-type: none"> <li>• Noted and agreed</li> <li>• Noted</li> <li>• Noted and included within the Appraisal</li> <li>• The Final Sustainability Appraisal Report will include a full overview of how the SEA/SA has influenced the RES</li> <li>• Noted and the SEA/SA will await the forthcoming Guidance and respond as appropriate</li> </ul>
<p><b>RES Process</b></p>	<ul style="list-style-type: none"> <li>• Concern is noted at the extremely tight timeframe within which the SEA/SA is being undertaken</li> <li>• Concern is raised as to the lack of production of a draft RES</li> </ul>	<ul style="list-style-type: none"> <li>• Noted and referred to SEEDA</li> <li>• Noted and referred to SEDA</li> </ul>

### 3 *APPRAISAL SCOPE*

#### 3.1 *INTRODUCTION*

In establishing a clear scope for the Sustainability Appraisal of the Draft RES, and in compliance with statutory requirements, it is first necessary to review and develop an understanding of:

- 1 possible appraisal objectives;
- 2 other plans, policies and strategies of relevance to the RES;
- 3 baseline information on environmental, social and economic conditions in the region; and
- 4 significant sustainability issues facing the region.

#### 3.2 *CORE SUSTAINABILITY OBJECTIVES – THE INTEGRATED REGIONAL FRAMEWORK*

The Integrated Regional Framework (IRF) for South East England establishes a shared regional vision of sustainable development, and a set of objectives, indicators and targets that map out how the region should deliver economic development that benefits people and protects and improves the environment. The IRF has also been developed by a working group of key regional partners, including the Regional Assembly, Government Office for the South East, SEEDA and others.

It was agreed by the Steering Group and Appraisal team that the IRF, therefore, provided the key set of objectives with which to inform the Sustainability Appraisal.

During the course of the consultation period to the Scoping Report, respondents did, however, make suggestions as to how the IRF objectives and second level objectives which stemmed from these, could be expanded upon. These comments have been incorporated into the objectives; the current list of Appraisal objectives reflecting these comments.

**Table 3.1 IRF Objectives and Amended Appraisal Questions**

<b>IRF Objective</b>	<b>Appraisal Questions: Does the RES:</b>
1. To ensure that everyone has the opportunity to live in a decent, sustainably constructed and affordable home	1.1 ensure the provision of housing for key workers and key sectors in the region? 1.2 ensure that housing and economic development policies deliver housing and jobs in an integrated fashion 1.3 ensure the provision of a range of economic opportunities in, or accessible to, rural areas? 1.4 promote the adoption of sustainable design and construction practices in development (eg energy/water/land/materials efficiency, incorporation of biodiversity/natural assets etc)? 1.5 ensure that the mix/type of new developments can reflect changes in population (size, demographics etc) and household structure in the region? 1.6 Take account of existing conditions that affect minority and excluded groups
2. To reduce the risk of flooding and the resulting detriment to public well-being, the economy and the environment	2.1 prevent all inappropriate development in the flood plain? 2.2 require that all new development applications show that sustainable drainage has been considered and implemented wherever practicable? 2.3 ensure that development located in the floodplain is designed to be flood resilient? 2.4 ensure that development does not increase flood risk to others?
3. To improve the health and wellbeing of the population and reduce inequalities in health	3.1 substantially diminish inequalities in mortality, health and well-being across the region? 3.2 ensure the accessibility of healthcare services by non-car means, eg through the incorporation of services in new developments? 3.3 promote healthy, active lifestyles as part of the well being of the region and as a means of reducing economic and social exclusion 3.4 Take account of the specific health and wellbeing issues of minority and excluded groups
4. To reduce poverty and social exclusion, and close the gap between the most deprived areas in the South East and the rest of the region	4.1 contribute towards a halving the gap between the most disadvantaged communities and the average position of the region by 2010? 4.2 ensure the provision of employment land and housing in, or accessible to, the most deprived areas of the South East? 4.3 Promote the economic and social inclusion of deprived and minority groups?
5. To raise educational levels across the region and develop the opportunities for everyone to acquire the skills needed to find and remain in work	5.1 ensure the accessibility of educational/training opportunities by non-car means? 5.2 ensure the accessibility of educational/training opportunities for the most deprived communities and excluded and minority groups? 5.3 ensure the accessibility of educational/training opportunities for rural communities?

IRF Objective	Appraisal Questions: Does the RES:
6. To reduce crime and the fear of crime	6.1 promote the incorporation of 'secured by design' principles as part of good urban design in economic development sites?
7. To create and sustain vibrant communities	7.1 encourage the involvement of communities in the planning and management of their neighbourhoods?
8. To improve accessibility to all services and facilities	<p>8.1 promote compact, mixed-use development with good accessibility to local facilities and services (eg employment, education, health services, shopping, leisure, green spaces, culture etc), that reduce the need to travel?</p> <p>8.2 ensure that facilities and services (eg employment, education, health services, shopping, leisure, green spaces, culture, outdoor recreation etc) are accessible to rural communities?</p> <p>8.3 Ensure the provision of the services and facilities of most relevance to excluded and minority groups.</p>
9. To encourage increased engagement in cultural activity across all sections of the community in the South East	<p>9.1 ensure that existing facilities and locations for cultural activities are protected and that new facilities are provided in areas targeted for development?</p> <p>9.2 Ensure that cultural needs of minority groups are addressed?</p>
10. To improve efficiency in land use through the re-use of previously developed land and existing materials from buildings, and encourage urban renaissance	<p>10.1 ensure the provision of employment land and housing on previously-developed land, as opposed to greenfield sites (in line with the sequential approach) and through conversion of existing buildings, to ensure that 60% of all forms of development (not just housing) occurs on previously used land by 2008?</p> <p>10.2 encourage the reuse of materials in construction?</p> <p>10.3 promote the adoption of sustainable design and construction practices in non-housing developments (eg energy/water/land/materials efficiency, incorporation of biodiversity/natural assets etc)?</p> <p>10.4 require good design to create attractive, high quality environments where people will choose to work and live?</p> <p>10.5 ensure that the historic urban environment and the distinctiveness/character of urban areas is protected as part of urban developments?</p> <p>10.6 ensure that the historic rural environment and its distinctiveness and character is protected as part of the development of rural areas?</p>
11. To reduce air pollution and ensure air quality continues to improve	<p>11.1 promote more sustainable transport patterns in all economic development areas, particular those of low air quality (eg AQMAs), including provision for public transport, walking and cycling (see also Objective 15)</p> <p>11.2 address the air quality impacts arising from specific development activities (eg airports, energy generation etc)?</p>

<b>IRF Objective</b>	<b>Appraisal Questions: Does the RES:</b>
12. To address the causes of climate change through reducing emissions of greenhouse gases and ensure that the South East is prepared for its impacts	<p>12.1 ensure a 20% reduction in CO2 emissions by 2010 (from 1990 levels)?</p> <p>12.2 require that development proposals are guided by 'climate proofing' principles?</p> <p>12.3 promote actions that will favor a shift towards a 'low carbon' economy</p> <p>12.4 Provide business with support to address the challenges and opportunities of climate change</p>
13. To conserve and enhance the region's biodiversity	<p>13.1 protect, enhance and restore the region's (international, national and local) designated sites recognizing the contributions they make to the region's economy and the wellbeing of residents and visitors?</p> <p>13.2 protect, enhance and restore the region's priority habitats and species, and take account of the need to deliver regional biodiversity targets so as to maintain the region's natural asset base?</p> <p>13.3 encourage the development of new biodiversity assets within/alongside developments? (Including encourage the linkage of habitats and the provision of wildlife corridors?)</p>
14. To protect, enhance and make accessible for enjoyment the region's countryside and historic environment	<p>14.1 recognise the importance to the region's economy of it's natural environmental assets (eg the green belt, parks and green spaces, common land, woodland and forests, National Parks, AONBs, ESAs etc) and seek to protect, restore and enhance them as an integral part of the region's quality of life</p> <p>14.2 recognise the importance to the region's economy of the region's cultural and heritage assets (eg Heritage Coasts, World Heritage Sites, SAMs, Listed Buildings, Historic Parks and Gardens, Conservation Areas, Registered Battlefields etc and their role in the region's quality of life and seek to protect, restore and enhance them)?</p>
15. To reduce road congestion and pollution levels by improving travel choice and reducing the need for travel by car/lorry	<p>15.1 promote more sustainable transport patterns in all areas, particularly those with high congestion?</p> <p>15.2 promote public transport, walking and cycling?</p> <p>15.3 promote more sustainable transport patterns in connection with developments in rural areas?</p>
16. To reduce the global, social and environmental impact of consumption of resources by using sustainably produced and local products	<p>16.1 promote the use of locally and sustainably-sourced, and recycled, materials in construction and renovation?</p> <p>16.2 Promote measures to reduce the overall ecological footprint of the region</p> <p>16.3 Promote resource efficiency measures within the region's businesses</p> <p>16.4 Promote the region's strengths in the environmental goods and services industry</p>
17. To reduce waste generation and disposal , and achieve the sustainable management of waste	<p>17.1 promote sustainable waste management practices in all sectors and at all levels through the provision of a range of appropriate waste management facilities?</p> <p>17.2 promote waste minimisation?</p>
18. To maintain and improve the water quality of the region's rivers and coasts, and to achieve sustainable water resources management	<p>18.1 Promote measures to reduce water demand by business</p> <p>18.2 Promote pollution control and reduction measures by business</p>

<b>IRF Objective</b>	<b>Appraisal Questions: Does the RES:</b>
19. To increase energy efficiency and the proportion of energy generated from renewable sources in the region	19.1 provide for the establishment of renewable energy developments at a regional level, to ensure that renewable energy targets are achieved (eg 16% of generation capacity by 2026)? 19.2 Promote the uptake of renewable energy sources by business 19.3 promote the incorporation of small-scale renewables in developments?
20. To ensure high and stable levels of employment so everyone can benefit from the economic growth of the region	20.1 Promote actions to deliver employment to all sections of society in the region especially deprived minority and excluded groups 20.2 Target employment growth in areas where social and transport infrastructure capacity exists
21. To sustain economic growth and competitiveness across the region	21.1 Promote actions to narrow the gap in GVA per capita between the best and worst performing parts of the region?
22. To stimulate economic revival in priority areas	22.1 Identify priority areas for economic regeneration and their needs? 22.2 Promote actions to develop less-favored areas within the region?
23. To develop a dynamic, diverse and knowledge based economy that excels in innovation, with higher value, lower impact activities	23.1 support the development of access to broadband infrastructure, particularly in rural and deprived areas and among excluded and minority groups? 23.2 Identify actions to promote innovation and research and development in the region? 23.3 Identify clear priorities for investment in new services/ technologies
24. To encourage the development of a buoyant , sustainable tourism sector	
25. To develop and maintain a skilled workforce to support long-term competitiveness of the region	25.1 Promote business support measures/skills programs that meet the demands of the region’s businesses 25.2 Identify key skills sets/skills gaps to be developed/managed 25.3 Identify key sectors that provide ‘skills escalators’ that create opportunities for less-skilled individuals in the region’s economy 25.4 Identify the skills needs/demands for skills amongst minority and excluded groups?

### 3.3

#### *LINKS TO OTHER PLANS, POLICIES AND STRATEGIES*

An analysis of the links between the Draft RES and other plans, policies and strategies as required by the SEA regulations is presented in Annex A.

There are clearly especially close links to be made between the South East Plan, which sets out the region’s spatial strategy and the RES. Integration of those two strategies will be fundamental in delivering planned growth for the region.

### 3.4 *BASELINE INFORMATION*

A detailed review of data on baseline environmental, social and economic conditions within the region is presented in Annex B.

### 3.5 *DATA COLLECTION DIFFICULTIES AND LIMITATIONS OF DATA*

We have drawn upon publicly available information, provided by regional partners, including the Environment Agency, English Nature and English Heritage. The data represents the most updated information on regional trends, currently available.

The Final Appraisal Report will detail any issues which have arisen in respect of difficulties or limitations encountered in collecting data for the Appraisal.

#### 4.1 INTRODUCTION

This section of alternatives of the SA/SEA report focuses on the key components of the appraisal process, the assessment of alternatives and the key findings of the appraisal.

#### 4.2 APPRAISAL OF ALTERNATIVES

The assessment of alternatives is a key requirement of the both the SEA Directive and the UK's Government Guidance. In the case of the RES Consultation Document for the South East, we have taken as alternatives four different scenarios of the likely growth of the South East economy, as presented in 'Sustaining success in a prosperous region: Economic implications of the South East Plan' published by SEEDA in March 2005.

The Key characteristics of each of the scenarios are summarised in Box 4.1 below.

##### Box 4.1 Economic Scenarios

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- **The baseline** – the rate of productivity growth in the baseline (2.27% per annum), is slightly lower than the recent trend of 2.32% per annum, and reflects structural changes in the region's economy away from manufacturing to services (which record measurably lower productivity rates). Even at a level of 2.27% p.a, this translates into an overall increase in productivity from £39,000 per worker in 2005 to £32,000 per worker by 2026 (at constant prices). Employment growth projections in this scenario assume that economic activity rates will rise to bring an additional 50,000 residents into employment. This implies an increase in economic activity rates from 83% (already the highest in the UK) to 85%.
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- **Scenario 1** – this scenarios reflects what might be achieved through additional regional efforts in terms of enhancing productivity and economic activity. It assumes that concentrated action on research and development, innovation and productivity maintains that current average yearly productivity improvement despite the structural shift towards service sectors. It also assumes that all those who are economically inactive but relatively well skilled and ready to return to work (65,000 existing residents in total) are brought back into employment in the South East.
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- **The baseline** – the rate of productivity growth in the baseline (2.27% per annum), is slightly lower than the recent trend of 2.32% per annum, and reflects structural changes in the region’s economy away from manufacturing to services (which record measurably lower productivity rates). Even at a level of 2.27% p.a, this translates into an overall increase in productivity from £39,000 per worker in 2005 to £32,000 per worker by 2026 (at constant prices). Employment growth projections in this scenario assume that economic activity rates will rise to bring an additional 50,000 residents into employment. This implies an increase in economic activity rates from 83% (already the highest in the UK) to 85%.
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- **Scenario 2** – this is at the upper limit of what could conceivably be achieved with significant investment, concentrated action by all relevant partners, and with major innovations in public policy. Over the course of the Plan period, productivity growth progressively improves by an average additional 5% (of the projected trend) per annum, implying that the South East becomes one of the most productive regions in Europe by 2026. The aggregate productivity growth under this scenario would be 2.39% per annum.

To put this scenario in a more regional context, if every sector in Kent, the Isle of Wight and East Sussex (the lagging areas of the South East in terms of productivity) were to catch up and match the region’s average productivity levels by 2026, the additional average annual growth in productivity would be around 5% - similar to the levels assumed under this scenario

In addition, major efforts to bring more challenging groups of economically inactive residents into employment area assumed to succeed under this scenario, with a total of 265,000 additional residents finding employment, Specifically:

- the number inactive due to childcare or other care commitments would fall be one third from 295,000 to 190,000;
- the number inactive due to long-term sickness or disability would halve for 160,000 to 80,000;
- The number indicative due to early retirement would fall slightly from 75,000 to 60,000; and
- the only other group remaining significantly economically inactive would be full-time students.

This implies lifting the region’s overall economic activity rate to almost 90%, a rate never yet achieved in any regional economy, and significantly higher than anything yet achieved in any part of the South East.

This is a challenging target to achieve, where all who would like to work by currently cannot work (e.g. due to childcare commitments or long-term illness etc.) area assisted to enter the labour market. Again, for context, if all parts of the region were to increase economic activity rates to match the highest current rate (i.e. Berkshire), this would deliver less than half the overall improvements in economic activity assumed under this scenario.

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- **2% Growth** – Modelling the effects of lower growth demonstrated that there is a clear choice between sustainable growth and decline. For instance, if growth in GVA was constrained to an average of 2% per annum over the Plan period:
  - The region would generate £43 billion (constant prices) less GVA per annum by 2026, compared to the 3% growth scenario (i.e. GVA of £206 billion instead of £249 billion in 20026). In total, over the Plan period, the region would generate £400 billion less GVA (constant prices) under the 2% growth scenario;
  - Employment growth would shrink to 113,000 over the Plan period (compared with a growth of 805,000 jobs under the 3% growth scenario); and
  - Given the projected growth in the economically active population, this would imply an unemployment rate of 7% (roughly 400,000 residents unemployed) by 2026, compared to around 2% unemployed under the 3% growth scenario.

Source: Sustaining success in a prosperous region: Economic implications of the South East Plan (SEEDA 2005)

Table 4.1 below summarises the key factors affecting achievement of GVA growth of 3% per annum.

**Table 4.1** *Achieving 3% per annum GVA Growth to 2026*

	<b>The baseline – based on the draft South East Plan figures</b>	<b>Scenario 1 – maintaining historic productivity growth and reducing economic inactivity by 65,000</b>	<b>Scenario 2-5% pa additional productivity growth and reducing economic inactivity by 265,000</b>
Annual productivity growth(%)	2.27 (historic trend 2.32)	2.32	2.39
Total Full Time Equivalent (FTA) employment growth	805,000	772,000	712,000
Labour shortfall – with a build rate of 25,500 per annum	381,000	336,000	155,000
Labour shortfall – with a build rate of 28,000 per annum	339,000	294,000	113,000
Labour shortfall – with a build rate of 32,000 per annum	273,000	227,000	46,000
<b>Dwellings required for a balanced labour market under each scenario</b>	<b>48,000</b>	<b>45,500</b>	<b>34,800</b>

### 4.3 APPRAISAL FINDINGS

The Appraisal considers how the RES Consultation Document ‘performs’ against the IRF’s Objectives and associated questions, assigning a ‘score’ to each question.

The scoring framework below used in undertaking the Assessment is outlined in Figure 4.1 below:

**Figure 4.1** *Scoring Framework for the Assessment*

✓✓	Clear Strong positive impacts
✓	Overall impact likely to be positive
✓/x	Overall impact mixed
?	Overall impact unclear
0	Overall impact neutral
x	Overall impact likely to be negative
xx	Clear, strong negative impacts
**	Not addressed, but likely to be important
N/A	Not applicable

The detailed Assessment matrices are provided in *Annex C* to this Report. The matrices outline how the RES has performed against the appraisal questions, assessing the likely impact of the RES in relation to each objective and question and assigning a score as per the scoring framework noted above.

Set out below is a brief summary of key points arising from the appraisal of the RES Consultation Document. Our assessment of the RES Consultation Document has taken into consideration the fact that it is not a Draft Regional Economic Strategy but rather a document that sets out the Regions proposed response to the priorities and issues raised during the consultation events carried out as an integral part of the review of the RES. As such it does not contain specific policies or firm actions but it does set out proposals as to the key areas in which the revised RES should focus and it also sets out how the region could achieve both economic growth and a ‘Sustainability Dividend’.

Given the nature of the document our assessment has focused on ‘the direction of travel’ of the document. A more detailed assessment of strategy will only be possible (and appropriate) when the Draft RES is available.

There is clearly a strong link between the Draft South East Plan and the review of the RES. Where appropriate the assessment has taken these links, potential and actual, into account.

In assessing the four scenarios we have made a few basic assumptions:

- That economic growth can be achieved in a more sustainable manner;
- That economic growth does not automatically signify environmental damage or reduced environmental quality;
- That higher levels of growth provide resources and stimuli that are likely to help deliver the ‘Sustainability Dividend’ more effectively and at a faster rate;
- That higher levels of growth will tackle issues of deprivation, intra-regional equality and social and economic exclusion more effectively; and

- The 'managed decline' of the economy is not an option i.e. the South East will be encouraged to maintain its position within the UK economy.

IRF Objective	Likely Impact	Conclusions
1. To ensure that everyone has the opportunity to live in a decent, sustainable constructed and affordable home	✓/?	<p>The RES Consultation Documents recognises the importance of well constructed and affordable housing to the overall prosperity of the regional economy. However, being able to deliver on this objective is recognised as being a challenge particular in relation to the delivery of the necessary levels of affordable housing in the region. There is clear convergence here between the South East Plan, LDFs and the RES.</p> <p>The Consultation Document underlines both the need for and the business opportunities provided by, sustainable construction. In the case of the existing housing stock the challenge is to improve the overall recourse efficiency in ways that help to reduce it environmental impact.</p>
2. To reduce the risk of flooding and the resulting detriment to public well-being, the economy and the environment	✓	The consultation Document, as might be expected, does not have a great deal to say on the subject of flooding. However, it does recognise quite clearly the challenges of mitigating the effects of climate change and developing the necessary adaptive responses and behaviours that will help the region to adapt to climate change. This implicitly included flooding and the works that it may pose to planned or existing economic developments.
3. To improve the health and wellbeing of the population and reduce inequalities in health	✓	The link between the wider social determinate of health and economic and social exclusion are clearly made in the document. Achieving higher levels of economic participation will by implication mean that the determinants of social and economic exclusion will need to be addressed.
4. To reduce poverty and social exclusion, and close the gap between the most deprived areas in the South East and the rest of the region	✓	In general, all of the proposed scenarios would contribute to this objective. In the case of 2% growth it is more questionable that poverty and social exclusion would be as effectively targeted. Scenario 2 would require a higher level of achievement than is currently the case and it is questionable if this could be delivered in practice.
5. To raise educational levels across the region and develop the opportunities for everyone to acquire the skills needed to find and remain in work		In general the scenarios would all deliver positive outcomes for this objective. Much of the delivery in terms of access is outside the scope of the RES.

IRF Objective	Likely Impact	Conclusions
6. To reduce crime and the fear of crime	N/A	This is primarily a planning issue. The RES Consultation Document does recognise the role of perceived and actual crime as a barrier to creating sustainable communities.
7. To create and sustain vibrant communities	✓	The RES Consultation Document is supportive of this IRF Objective. It recognises the importance of Urban Renaissance, sustainable communities, mixed developments and quality design.
8. To improve accessibility to all services and facilities	✓	The recognition of access as a key issue is essentially implicit in the Consultation Document. Much of the necessary policy will be delivered via the South East Plan and the LDFs rather than the RES.
9. To encourage increased engagement in cultural activity across all sections of the community in the South East	✓	The RES Consultation Document explicitly recognises the importance of cultural infrastructure and a strong cultural 'offer' to quality of life.
10. To improve efficiency in land use through the re-use of previously developed land and existing materials from buildings, and encourage urban renaissance	✓	Whilst this IRF objective is most directly influenced by planning policies at national, regional and local level, the Consultation Document also recognises the importance of the issues it addresses. It also recognises the business opportunities that the use of PDL and the adoption of sustainable construction methods provide for both new and existing businesses.
11. To reduce air pollution and ensure air quality continues to improve	✓/?	It is not clear that the RES will be able to have a significant positive impact on air quality since this is largely dependent on investments in public transport, improved management of demand and a significant change in behaviour from residents in particular. The influence of the economy on air pollution is limited except for transport emissions.
12. To address the causes of climate change through reducing emissions of greenhouse gases and ensure that the South East is prepared for its impacts	✓/?	The contribution of the RES is likely to be at best mixed. Whilst it recognises the challenge and the opportunities that climate change provide to the regional economy the ability of the region to address climate change in a meaningful way is heavily reliant on national level policies, initiatives and incentives. Without these the increase in emissions of greenhouse gases are likely to be even higher than they are likely to be as a result of predicted economic growth.
13. To conserve and enhance the region's biodiversity	?	It is not clear at present how well the opportunities to conserve and enhance biodiversity with economic development will be grasped in the RES. Green infrastructure is not particularly highlighted although the importance and value of the region's natural assets is.

IRF Objective	Likely Impact	Conclusions
14. To protect, enhance and make accessible for enjoyment the region's countryside and historic environment	✓	The Consultation Document recognises the importance of the region's countryside and historic environment assets and their tangible and intangible value to the economy. It also recognises the importance of maintaining the skills to conserve, manage and enhance these assets.
15. To reduce road congestion and pollution levels by improving travel choice and reducing the need for travel by car/lorry	✓/✘	Delivery of this objective is going to be very difficult on fault recognised by the Consultation Document. The direction of the document and its identification of priorities is correct but the scale of investment and policy and behavioural change needed to deliver on this objective is likely to be beyond the scope of the region alone.
16. To reduce the global, social and environmental impact of consumption of resources by using sustainably produced and local products	✓/?	This is another IRF objective where the RES Consultation Document's demonstrably identify key issues/priority areas for action that are 'going in the right direction'. Serious questions must remain, however, as to what extent the Region can deliver on this objective.
17. To reduce waste generation and disposal, and achieve the sustainable management of waste	✓	The Consultation Document recognises the threats and opportunities that the Region faces from waste management. The thrust of its arrangements is in the correct direction to encourage more effective management of waste and more proactive uptake of business opportunities by business actions in the region.
18. To maintain and improve the water quality of the region's rivers and coasts, and to achieve sustainable water resources management	✓	The direction of the Consultation Documents proposal is a positive one which also recognises the challenges the Region faces in this areas. The business opportunities arising from improved resource management are also clear.
19. To increase energy efficiency and the proportion of energy generated from renewable sources in the region	✓	The RES Consultation Document is generally very supportive of the role of renewable energy within the region.
20. To ensure high and stable levels of employment so everyone can benefit from the economic growth of the region	✓	The Consultation Document is based on the premise that the Region cannot stand still, however growth levels than the current baseline area predicted to lead to significant declines in employment levels and employment opportunities. It is also argued that only actual or higher levels of growth are likely to tackle intra-regional disparities in economic performance.
21. To sustain economic growth and competitiveness across the region	✓✓	Meeting this objective is fundamental to the 'model' presented in the RES Consultation Document.

IRF Objective	Likely Impact	Conclusions
22. To stimulate economic revival in priority areas	✓✓	Three of the four scenarios are likely to contribute to this objective – the 2% Growth scenario is not likely to stimulate as high a level and could potentially lead to a further decline in the economies of priority regeneration areas.
23. To develop a dynamic, diverse and knowledge based economy that excels in innovation, with higher value, lower impact activities	✓✓	The RES Consultation Document places considerable emphasis on the importance of innovation, not least with the section on the ‘Sustainability Dividend’. The document identifies a number of potential areas of opportunity for new businesses following on reducing the impacts of economic operations.
24. To encourage the development of a buoyant, sustainable tourism sector	?	The tourism sector is not covered to any significant degree in the document.
25. To develop and maintain a skilled workforce to support long-term competitiveness of the region	✓/?	The importance of proactive and innovative approach to skills and training is a key element of the document at general level. The Evidence Base is also very useful in terms of identifying of areas critical needs/gaps etc. More information is needed on practical actions/delivery issues.

#### 4.4

#### *SIGNIFICANT ISSUES*

The following section provides a summary of the Appraisal findings as they relate to the key IRF objectives and associated questions which have framed this Appraisal. These are presented in terms of the overall appraisal and then the key issues identified in the DTI’s guidance to RDA’s on the links between the RES Review and the UK’s Sustainable Development Strategy.

- *Overall appraisal*

The RES Consultation Document via the mechanism of identifying the ‘Sustainability Dividend’ for each component of the Strategy is able to demonstrate how sustainable development could potentially be built into the strategy. There is a considerable amount of interesting material with the document as to how current weaknesses or barriers could be dealt with and opportunities could be realised.

The Sustainable Dividend also provided a method for embedding sustainability into smart growth.

Whilst the Consultation Document does not shy away from areas of poor performance the appraisal has highlighted a number of areas where effective delivery will be challenging and where the scale of changes to policies, practices and behaviours will need to be considerable and will need to be driven by Central Government.

There are some clear areas of convergence and mutually supporting principles between the Consultation Document and the Draft South East Plan. This is very important since both documents rely on the alignment of a range of strategies and policies for practical delivery of key objectives.

It is still the case, however, that the housing estimates being used for the two documents differ. The economic implications of different levels of growth and housing provision will clearly be fundamental to the growth model that can be adopted by the region.

- ***A Focus on Economic Development***

The RES Consultation Document sets out in a concise way how the Region could potentially move towards achieving its aspiration of smart growth and sustainable prosperity. It is focused on economic development but also contains clear evidence and proposals as to the benefits of making growth more sustainable.

Further development of the RES will need to suggest detailed actions to help deliver on this aspiration and also a clear process and partnership model for the implementation of the RES.

- ***Sustainable Consumption and Production***

The ideas within the RES Consultation Document on resource management and the management of demand and consumption mirror the concerns that are one of the key themes of the UK's Sustainable Development Strategy. The ideas put forward in the document are proactive and address both process and behavioural aspects of business as well as products and services.

The ability to drive demand for a more sustainable pattern of production and consumption is only partly within the gift of the Region. Wider forces such as national policy and legislation need to be aligned to this objective for the Region to be able to make substantial progress on this issue.

The Region will need to demonstrate how it will seek to influence Central Government on this issue.

Work being carried out by the Sustainable Consumption and Production Network (SCP-NET), which has been tasked by government with implementing methods of assessing resource consumption and efficiency (such as the REEIO Model) will be used by the SA/SEA to further assess the resource efficiency implications of the RES as it develops.

The Region is keen to stabilise and then move to reduce its ecological footprint. Ways that this process can be initiated in a practical fashion should be promoted in the RES.

- *Climate Change and Energy*

The Consultation Document recognises the challenges and opportunities posed by Climate Change and Energy Supply and Security. The current proposals in the document whilst positive and promising will need to be considerably developed to ensure that opportunities are maximised and that the Region will be able to design a route map for moving towards a low carbon economy.

- *Sustainable Communities*

Sustainable Communities are an integrated part of the RES Consultation Documents view of how to deliver sustainable prosperity particularly in terms of Urban Renaissance quality of design and also reducing intra-regional disparities.

- *Natural Resource Protection and Enhancement*

The RES Consultation Document recognises the value of the Region's natural resources and natural assets and the role that they play in underpinning quality of life in the Region. There is, however, relatively little detail provided on how natural resources protection and enhancement can help to deliver smart growth. This issue will need to be addressed in the Draft RES.

In terms of the IRF Objective the RES Consultation Document Scores' well on the following objectives:

- Reducing Flood Risk (IRF2)
- Improving health and Wellbeing (IRF3)
- Reducing Poverty and Social Exclusion (IRF4)
- Raising Educational Achievement (IRF5)
- Creating Sustainable Communities (IRF7)
- Improving Accessibility to services and Facilities (IRF8)
- Increased Engagement in Cultural Activity (IRF9)
- Improved Efficiency in Land Use (IRF10)
- Protect and Enhance the Countryside and the Historic Environment (IRF14)
- Reducing Waste Generation and Disposal (IRF17)
- Monitoring and Improving Waste Quality (IRF18)
- Increasing Energy Efficiency (IRF19)
- Developing a Skilled Workforce (IRF25)

It also scores well in terms of IRF Objectives 20-23 which relate to the performance of the economy.

However, the performance of the RES Consultation Document is much less strong in terms of the remainder of the IRF objectives for the following reasons:

- Delivery constraints (IRF1)- Affordable Homes/Ensuring Decent, Sustainable
- Degree of connectivity with economic strategy (IRF6 – Crime and Fear of Crime)
- Lack of regional control/scale of investment or policy change required/IRF 11 – Air Quality, IRF-12 Climate Change, IRF 15 – Transport and Congestion, IRF-16 Reducing Global Impacts
- Lack of recognition of opportunities (IRF – 13 Biodiversity) and IRF – 24 Sustainable Tourism)

- *EVIDENCE BASE*

The production of the Evidence Base document has been extremely useful has complemented the work carried out for the SA/SEA extremely well. The Draft RES will need to provide clear links between the regional evidence base and proposed actions and initiatives as well as targets and indicators.

- *LEADERSHIP*

In general, the RES Consultation Document as expected given its aims and objectives does not focus on issues of leadership in specific areas albeit it does mention a wide range of organisations who have key roles in the current and future delivery of the Region's Economic strategies and initiatives.

The document invites regional stakeholders to propose how they can assist in the delivery of the strategy – this will be very important for the Sustainability Document which will not be delivered without a coordinated delivery plan across a number of organisations and sectors. The role of the RES in integrating and focusing strategies should be extended to cover issues relevant to the delivery of smart sustainable growth.

- *ROLE OF THE PUBLIC SECTOR*

The public sector clearly has a major role to play in delivering smart growth not least because of its significant purchasing power and use of resources. It will be important that the role of the public sector in promoting and enabling smart growth not only via policy but also via leadership and investment in clearly identified and developing the Draft RES.

- *TARGETS/INDICATORS/MONITORING*

The RES Consultation Document does not contain many targets or indicators or a monitoring framework. This is to be expected given the aims and objectives of the document.

The Draft RES, however, will need to demonstrate how it intends to go about demonstrating its performance and what its key measures of success will be.

In terms of the SA/SEA we will be reviewing how targets, indicators and monitoring can be used to measure significant effects and also performance against the objective of the IRF.

The SA/SEA take account of EU and UK guidance on this topic.

- **IMPLEMENTATION OF THE RES**

The SA/SEA will need to be able to appraise the delivery or implementations plan of the RES. This will enable the appraisal to suggest opportunities for actions that will promote sustainable development and to propose focused mitigation measures.

## 4.6

### **SIGNIFICANT EFFECTS**

Table 4.1 sets out our assessment of the likely significant effects of the RES Consultation Document on key environmental issues as required by the SEA Directive. The following issues may, depending on how the RES is implemented, potentially experience significant **positive** effects:

- Population
- Human Health
- Material Assets
- Waste

Issues that may potentially experience significant **negative** effects are as follows:

- Air (in terms of transport emissions)
- Climate Factors (CO<sub>2</sub> and Greenhouse Gas Emissions)

For all other categories identified by the SEA Directive it is not possible to assess likely significant effects from the detail provided in the RES Consultation Document. The SA/SEA requires more detailed proposals before it can carry out a detailed assessment of the likely significant effects of the strategy on the environment. This will be carried out as part of the assessment of the Draft RES.

**Table 4.1** *Likely Significant Effects on the environment of the South East RES Consultation Document*

<b>Environmental Issues</b>	<b>Comments</b>
Biodiversity	There may be opportunities and also impacts but in the absence of detailed actions this is difficult to assess.
Population	The wellbeing of the population should be affected in a positive way
Human Health	The Strategy should promote actions that will deal with many of the determinants of social and economic exclusion and this should benefit health status.
Fauna	There may be opportunities and also impacts but in the absence of detailed actions this is difficult to assess.
Flora	There may be opportunities and also impacts but in the absence of detailed actions this is difficult to assess.
Soil	Use of PDL should help to reduce contamination. A focus on PDL also reduces the likely demand on good quality agricultural land in the region – especially in Green Belt areas.
Water	There may be opportunities and also impacts but in the absence of detailed actions this is difficult to assess.
Air	It is likely that atmospheric emissions especially from transport will increase
Climatic Factors	Green house gas emissions are likely to increase
Material Assets	The Strategy should protect and enhance material assets
Cultural Heritage - Architectural - Archaeological	There may be opportunities and also impacts but in the absence of detailed actions this is difficult to assess.
Landscape	There may be opportunities and also impacts but in the absence of detailed actions this is difficult to assess.
Waste	The Strategy promotes improved waste management and opportunities for growing waste manage and recycling businesses.

#### **4.7** *EQUALITIES ISSUES*

The SA/SEA team has carried out an initial Equalities Impact Assessment of the RES Consultation Document. This has highlighted the following issues to be taken into account in the ongoing development of the RES:

- An equalities perspective should be integrated with the text of the Regional Economic Strategy to highlight how it links with the overall strategy for the region.
- Reference to the core equality categories and legislative and regulatory significance should be outlined in the RES.
- Reference to SEEDA’s equality agenda should be addressed in the general introduction or Vision Statement of the RES. This would also a good place to reference the commitment that SEEDA and its partners re meeting race and diversity targets.

- The RES should set out how equality, diversity and race objectives will be met through its procurement processes and other dealings with contractors and clients.

In general, the RES Consultation Document and the Evidence Base document demonstrate an awareness of equalities, diversity and race issues in terms of the proposals and the broad strategy outlined. The SA/SEA team will be carrying out a more in-depth review of equities, race and diversity issues as part of the ongoing assessment.

#### **4.8** *CUMULATIVE EFFECTS OF THE RES*

The SEA Directive requires that an assessment of the cumulative effects on the environment of the plan or strategy being assessed is carried out. Cumulative effects include secondary, synergistic, short, medium and long-term, permanent and temporary, positive and negative effects. The assessment of cumulative effects will be carried out on the Draft RES and will be presented in the SA/SEA report on that strategy.

#### **4.9** *MITIGATION*

The Appraisal will develop detailed mitigation measures based on the RES and its Implementation Plan. These will be included in the Final SEA/SA Report.

## 5 *IMPLEMENTATION AND MONITORING*

### 5.1 *INTRODUCTION*

The RES Consultation Document does not include an Implementation Plan or a monitoring framework with targets and indicators since these would be inappropriate at this stage in the RES Review Process.

The SA/SEA will undertake an assessment of the proposal on implementations and monitoring presented in the Draft RES and any associated Implementation or Delivery Plan along with the proposed Monitoring Framework for the Strategy.

### 5.2 *DTI GUIDANCE ON MONITORING AND EVALUATION OF THE RES*

The DTi's guidance states that *'The RES should set out how the RDA will monitor its implementation and impact'*. It goes on to say *'It is for the RDAs in conjunction with Regional Assemblies and other regional partners to decide how to judge the success of their RES, but use should be made wherever possible of specific and quantifiable indicators'*. The RES should make clear how the impact of the RES will be evaluated and the results used to inform the subsequent resources of the RES.

Clearly, sustainable development actions and the performance of the RES in terms of the IRF's objectives are one of the components of the monitoring framework that needs to be established.

The remainder of this section of the SA/SEA report deals with issues of implementation and monitoring relating to the development of an evidence base to assess the contributions of the RES to regional national and international sustainable objectives as encapsulated in the region's Integrated Regional Framework.

### 5.3 *INCORPORATING SUSTAINABLE DEVELOPMENT INTO THE IMPLEMENTATION AND MONITORING OF THE RES.*

The importance of a sound evidence base for the development of the RES is clearly spelt out in the DTi's guidance. A sound evidence base is also fundamental to effective monitoring of the impacts of the RES during its implementation. From a sustainable development perspective there are a number of issues that need to be discussed with the region.

- The organisation of the evidence base
- Leadership on development sustainable development inputs to the Implementation Strategy
- Selection of core RES indicators and targets for sustainable development

- Selection of contextual indicators and targets for sustainable development
  - Responsibility for monitoring of the RES
- 
- *Organisation of the Evidence Base*

The South East has carried out a great deal of research on sustainable development related issues. Available evidence has been collected together for the baseline component of this SA/SEA as well as for the South East Plan.

What is required is organisation of the evidence base, capacity for regional updating and also capacity for analysis and interrogation of the data as required for SA/SEA. Management of the evidence base is in the form of a 'sustainable development module' as an integral part of the observatory or data portal would reflect a model successfully being developed in other regions. At present no such module exists for the region.

- *Leadership on Sustainable Development inputs to the Implementation of the RES*

It will be important that sustainable development inputs to the implementation of the RES are carefully co-ordinated and that the sector is able to provide leadership on key aspects of the overall process of developing the strategy including the selection of indicators and targets for the measurement of performance.

#### *Selection of Core RES Indicators and Targets for Sustainable Development*

It is highly likely that there will be a range of actions within the Implementation Strategy for the RES but that it will also be necessary to limit the number of indicators and targets which are applied to the RES. In selecting targets and indicators it will be necessary to focus on those that combine relevance to the RES with significance in terms of sustainable development ie are relevant to the objectives of the IRF. In both cases there will need to be clear baseline for measurement and clear ownership of the indicator or target and commitment to monitor the trends/assignment during the lifetime of the RES.

- *Selection of Contextual Indicators and Targets*

By 'contextual' the SA/SEA report means indicators and targets that help to characterise the overall setting within which the RES is delivered from a sustainable development view point. These indicators and targets may not relate directly to the Implementation Strategy of the RES but may help to increase understanding of the overall contribution of the RES to sustainable development in the region.

Sustainable development stakeholders in the region needs to formulate a strategy for this broader monitoring of the RES.

- *Responsibility for Monitoring the RES*

This is another area where there needs to be a decision as to who will lead on sustainable development issues connected with the RES. If monitoring can be carried out by one organisation, for instance the South East Observatory, based on a limited set of indicators and targets then the monitoring reports could be co-ordinated by SEEDA as a series of annual monitoring reports.

The region needs to develop a clear position as to how monitoring of sustainable development outcomes will be carried out.

## 6 *RECOMMENDATIONS*

### 6.1 *INTRODUCTION*

This section of the report presents the recommendations resulting from this SA/SEA of the RES Consultation Document

### 6.2 *RECOMMENDATIONS*

Our recommendations are as follows:

- The SA/SEA team and the authors of the Draft RES should meet early in 2006 to discuss in detail the process of integrating the SA/SEA and consultation responses on the Scoping Report and inputs to the development for this report into the ongoing development of the RES.
- The SA/SEA team should continue to review the baseline data of relevance to the Strategy and the review of relevant policies, plans and programmes.
- The SA/SEA team should continue to meet with regional stakeholders to obtain feedback and inputs to the ongoing assessment of the Strategy.
- The SA/SEA team should seek inputs from stakeholders on appropriate indicators for the monitoring of the effects of the Strategy.
- The SA/SEA team should prepare a detailed analysis of consultation responses on this report as an input to the developing of the RES.



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