

**Summary:**

## **Integrating land use and transport planning: does regional governance matter?**

*The starting point of this study has been the observed fragmentation of land use and transport sectors in Norway, the gap between national goals for integrated land use and transport planning and the sectoral and local implementation. The hypothesis has been that a strengthened regional decision level could reduce this gap by integrating national goals and local policy decisions. In order to study the role of regional governance in land use and transport planning, the research project has chosen three case studies: the Kristiansand region in Southern Norway, the former Danish county of Funen and the Hanover region in Germany. These three regions designate different models of regional co-ordination in three different planning systems. The study shows that regional governance does matter, but a stronger regional level for land use and transport policy is not a sufficient condition for closing the gap between national policy goals and local implementation of an integrated land use and transport policy. Different regional governance models face several challenges in achieving more sustainable land use and transport planning. Theoretically the study implies that the concept of (network) governance must be further developed in order to include the significance of the coordination mechanisms of hierarchy, network and market when analysing decision-making in multi-level systems.*

### **Problem description**

Land use planning which has as its aim the reduction of greenhouse gas emissions from the transport sector, may be seen as a condition for achieving sustainable transport, i.e. reduction in emission from road transport. Planning for reducing automobile dependency in urban areas is strongly related to the planning of urban structures which contributes to a concentration of urban areas, contrary to urban sprawl. Norwegian national guidelines and policy documents emphasise the need for an integrated land use and transport policy, as this may reduce the transport increase, e.g. by encouraging public transport and countering urban sprawl. Several Norwegian studies reveal a considerable gap between national goals for integration of spatial and transport planning and what has been achieved in practice. In other words, there seems to be a gap between insight and what is actually being done. This gap may be explained by the local and sector interests' opposition to the integration principle and their influence on processes where integrated land use and transport planning is being considered, specified and decided on. According to such an institutional view, vertical and horizontal

segmentation in the transport sector may explain why coordination of spatial development and transport planning does not arise. Vertical segmentation implies that transport authorities on different levels have different responsibilities, while horizontal segmentation means that different sectors at the same level have different responsibilities.

The Norwegian spatial development and transport policies are fragmented, and cooperation is limited. The aim of an integrated spatial development and transport policy is to plan construction in order to decrease the need to travel and to facilitate access to public transport. Municipalities are responsible for spatial planning, parking policy and road pricing; the responsibility for infrastructure is spread across different entities and levels, while the operation of public transport is in the hands of the counties or the Norwegian State Railways. Further, land use and transport planning are dealt with in different sectors. Research suggests that sectors are not suitable for discovering or solving problems which are not already defined within the sector. The institutional framework may, in other words, provide barriers to combining different measures.

Strengthening the regional professional and policy level through reforms in the formal organisational structure may reduce conflicts of interests and fragmentation in the area of integrated land use and transport planning. Research on regional governance therefore seems to be a promising starting point for studying the institutional conditions for integrated land use and transport planning. In this report, the term regional governance encompasses the three coordination mechanisms of hierarchy, network and market.

## **Research design and methods**

Regional governance differs from what we call regional cooperation in the sense that governance is formal, while cooperation may be informal. Regional governance refers to variations in the role of the regional level in the political administrative system, the regional level's available policy instruments, and vertical and horizontal division of competences. In this report we focus on the role of the formal division of competencies.

The concept of integrated land use and transport planning distinguishes between two aspects: *First*, the procedural aspect which refers to the planning and policy process, i.e. to what extent transport and land-use plans and decisions are coordinated, and *second*, the substantive aspect, i.e. what concrete measures (investments, restriction, locations) are introduced. When describing integrated land use and transport planning as a dependent variable, we look at both the intentions defined in national and regional planning documents and the results that are connected with these intentions. Typical examples are the location of new residential areas, location of areas of retail trade (e.g. major new shopping malls), extension of and service improvements to the public transport system and parking in city centres.

The main research issue for the research project is to analyse regional governance (independent variable) in three case study regions, and explore how the organisation of regional governance influences the implementation of the policy goal of an integrated land use and transport planning (as dependent variable).

The case studies can be described as explorative observations based on expert interviews. The observations include a description of the regional governance model, land use and transport planning and an analysis of recent decision processes that comply with or conflict with the goal of integrated land use and transport planning. Then we analysed if and how regional governance influences conditions for integrated land use and transport planning in each of the three regions.

The three cases have been chosen because they represent alternatives to the conventional Norwegian model. They are compared in order to observe how models that are different from the Norwegian planning model for regional governance perform. They also have a stronger regional level than in the conventional Norwegian model. We call the Kristiansand region observation an *ad hoc* local authority cooperation model which is limited to the policy area of land use and transport planning. In the county model of Funen, we observe a strong permanent regional governance model that covers a larger policy area than in the Kristiansand region, and in which the municipalities were integrated in a formal hierarchical coordination system. In the regional model of Hanover, we observe how land use and transport planning is integrated in a larger region which possess extended competencies particularly in land use planning, and which includes several mid-sized municipalities.

### **Findings from the three observations**

The functional model as applied in the **Kristiansand region** is based on a consensus-orientated pilot for regional coordination that is limited to the two areas of transport planning and spatial development. The programme is organised as two projects, the transport project and the land use project, directed by one political committee. The ATP committee is not a legal entity, but is based on a contract. The committee manages the programme and decides on budget priorities. The politicians represented in the ATP committee make decisions on integrated land use and transport policy. They are politicians who represent their municipalities and counties. A coordinator of the National Road Administration Region South contributes as an observer and advises the decision makers.

The role of the ATP programme in the Norwegian planning system could be characterised as a pilot scheme for a strengthened regional level. It is strengthened in the sense that it increased the responsibility of a specific policy (sub-) area and through deliberate coordination between the municipalities and the regional stakeholders. The findings show that the regional governance model has been well accepted and has functioned well in the trial period, and that both the powers and patterns of interaction have changed. Hence, the Kristiansand pilot scheme appears to be an appropriate way of organising the two areas of land use and transport planning, but land use planning is not yet as strongly integrated as the transport project. The ATP programme enabled a new arena for discussion for the municipalities, and the regional stakeholders' perceptions of conflict issues, such as restrictive measures for car transport, may gradually change.

The **County of Funen**, Denmark was chosen in order to analyse the former county model as a regional governance alternative. Through binding land use plans, clear definitions of development zones, combined with national

requirements and guidelines, the region had a strong position in the multi-level administrative system. The regional planning institute prescribed the major conditions for spatial development in the region and the land use decisions in the plan were binding for the municipalities. The Road Administration of the county of Funen was responsible for road planning on the basis of a regional road infrastructure plan. The county level was also in charge of tendering and purchasing public transport at the regional level. The case study of Funen shows that spatial planning and transport planning were highly integrated in the former administrative system and that strong regional governance contributed to the procedural integration. However, the county plan was ambiguous in regard to whether the planning was in accordance with the substantial national and regional goals for sustainable development. It thus seems that the regional governance model did not contribute in reducing demand for transport by countering the spread in urban areas and facilitating sustainable modes of transport and efficient transport services. However, this was due to a “unspoken” multi-level consensus on road investment policy and the wish to maintain and develop the historical pattern of numerous urban zones of the villages.

The regional model, as applied in the **Greater Hanover region**, Germany, was introduced in 2001. It is a strongly formalised, regional political-administrative system for a larger urban area. It covers a wider set of policy areas, among them transport planning and spatial development. In the Hanover region, there has been a continuous, historical emphasis on a regional planning concept that integrates land use and transport planning. The regional plan as such is the main instrument to influence the spatial development at the regional level. There has been strong professional and policy consensus at regional level on the principle of integrated land use and transport planning that has resulted in a clear regional planning concept (decentralised concentration) that has been pursued continuously. The role of the new region has been that of a mediator between conflicting local interests. We observed at least three preconditions for the success in the Hanover region: First, the self-contained political and administrative will to pursue a regional planning concept. Second, there was clear emphasis on dialogue and co-operation with the local level and third, the region was sensitive to municipality planning priorities.

### **Institutional conditions for integrating land use and transport policy**

The findings in this report show differences in the institutional conditions in the three observations in regard to:

- the role of the regional level in the political administrative system
- division of powers between administrative levels
- policy instruments available at regional level
- division of powers between sectors

### **The role of the regional level in the political administrative system**

The role of the regional level in the pilot scheme in the Kristiansand region was primarily to create a new arena that brought together the formal regional stakeholders. In this new arena, several of these regional stakeholders were included in the cooperation scheme with the participating municipalities, whereas the County Governor was partly included in the project. The transport project “pooled” the different stakeholders with specific interests related to land use planning, public transport and road investments. However, the regional level was not strengthened in regard to the centralised state authorities. Rather, the pilot scheme altered the competencies within the region.

In the former Danish planning model, the regional level was represented primarily by the county which played a crucial role in both regional planning and transport infrastructure planning because the road administration was a part of the county. The regional representatives interviewed in this project confirmed the strong role of the regional level. The county was enabled to undertake coherent planning for the region across the resources and thematic issues, but the local level participation was regarded as important. The main role of the county was that of an intermediary level between local interests and national planning requirements.

The Hanover region, with an autonomous administration and policy representation was in charge of infrastructure planning and operation of public transport. Foremost, the region is powerful in regard to planning, with a continuous tradition of conceptual planning of land use and transport.

### **Division of competencies between administrative levels**

In the Kristiansand region the new division of competencies, as set out in the mandate for the ATP programme, does appear to favour the municipality level, and thereby especially Kristiansand. The interviews also revealed that regional cooperation may weaken the authority of the county to some extent. In the stronger formalised regional governance models, such as Funen, regional planning was explicitly deemed successful as a result of the close collaboration and inclusion of the municipalities in the planning process. In the Funen region, the regional plans were binding for the municipalities, but the municipality views on land use were included when the plans were being drawn up, so that the process may be described as a regionally-mediated consensus. Also in the Hanover region, the regional level sets the conditions for local planning. The cases analysed in this study show that there have been conflicts of interest, but that the region served as an efficient administrative level to find solutions and compromises.

### **Policy instruments available at regional the level**

The strengthened regional level of the ATP programme included decision-making powers on investment and maintenance priorities on municipal and county roads (the transport project) and the ATP committee prioritised how to spend the Public Reward Fund. The land use project aims at influencing the municipalities’ land use policy but did not directly influence the municipalities’ existing preparatory and binding land use plans. In Funen, the policy instruments available at regional

level were linked with land use planning, road investment priorities and public transport at regional level, where all these competencies were included in the county administration (road investment priorities, designation of development areas within the regional plan and regional public transport (bus)). The wide range of instruments in the Hanover region also appears to be linked primarily with planning competencies. The region thus approves both preparatory and binding land use plans. Furthermore, it has developed the instrument of proprietary development limits.

In all observations, the use of local restrictive measures such as parking policy is largely a municipal responsibility. Hence, the region has no or weak competencies in regard to instruments that can reduce car transport demand in the short to medium term.

### **Division of competencies between sectors**

The study of the Kristiansand region shows that the inter-municipality cooperation on land use and transport planning improves the institutional conditions for integrating land use and transport policies. Most of the contact between the participants is now channelled through the ATP programme and is based on the common budgetary priorities. Furthermore, the ATP programme in Kristiansand is a relatively small organisation with a project secretariat, and the transport project and the land use project are both located within the administrative staff of Kristiansand.

In Funen the strong administrative capacity and the functional integration of both spatial and transport policies at the regional level contributes to an integrated land use and transport policy. We also find that the functional tasks and institutional goals of the respective administrative units are limited and based on the professional roles of administrative units such as the Road Administration's focus on cost benefit and traffic safety. The Funen County administration could thus be interpreted as conservative in the sense that the planning tradition and priorities of the administrative units remain stable.

In the Hanover region, a large administration covering a broad range of sectors could be described as formalised. The institutional conditions for integration of public transport and regional spatial planning have been favourable as institutions at the regional level has been in charge of land use and public transport since the 1960s. Furthermore, public transport and spatial planning are coordinated e.g. through coordination talks and round table talks with the administrative heads and the relevant professionals.

### **Theoretical implications for the literature on governance and regional governance**

In the project we examine governance as an independent variable within an institutional approach looking at the results of decision making. The theoretical starting point for this project was to draw on new research approaches to governance. These approaches focus upon political decision making as a network arrangement where the government structures are not dominant. The literature describes the development of governance as a new pattern of interaction between

government and society, where network-based coordination mechanisms replace a more traditional hierarchical government.

Our starting point has been to look at regional governance as an approach to strengthening coordination in multi-level systems, including different degrees of hierarchical coordination. We thus define governance as more than network governance. When we look at the sector land use and transport planning, new patterns of interaction can be observed. A withering away of government power is far from taking place. In Kristiansand we could speak of a new pattern of interaction between the traditional stakeholders and this governance scheme could be said to be deliberate. We observe a drive to strengthen (Kristiansand and Hanover) and retain a strong regional level (Funen) in order to limit lobbying and proposals from private players.

When we describe regional governance we draw attention to the role of the regional level in integrating different policy areas and administrative levels. Thus, replacing government with network governance does not seem to give an appropriate description of reality. Moreover, strengthening the regional land use and transport policy could simply be seen as an effort to increase political power in other sectors and at the national and local level. Our three models of regional governance improve output by mediating and preventing a lack of consistency between local and national preferences.

Policy formulation, decisions and implementation of urban transport policy and land use planning are highly complex processes, where interest theory, lack of instruments, segmentation of arenas, and external events may need to be taken into account in order to explain specific policy outputs and priorities. Our findings do not imply that a strengthened regional governance is the major explanation for the lack of integration between land use and transport planning. However, regional governance influences the formulation of interests, the multi-level distribution of instruments, the formation of arenas and the response to external framework conditions and events. In this way regional governance may influence the significance of these explanations.

New governance patterns may be the result of an effort of the governing bodies to strengthen goal achievement. Goal achievement is dependent on policy preferences, institutional norms and traditions. From a rationalist viewpoint, there are no good explanations why a federal state or a unitary government may want to delegate its competencies to its member bodies.

Bearing this in mind, why would the level state want to strengthen a regional level? One explanation for this is that regional governance may help in overcoming what Scharpf calls *joint decision traps* in federal systems. If we give this theoretical approach a "twist," we could ask whether regional governance could contribute to avoiding *dispersed decision traps* in unitary, decentralised policies such as in Norway. In federal as well as in unitary states, regional governance may be described as a concept for altering the competences of the regional level in order to enhance coordination between the local, regional and state levels. At the same time it supports national goal achievement by adding to the cooperation across municipality and county borders. In Norway the Public Reward Fund and the introduction of regional administration pilot schemes could be described as a deliberate strategy for increasing regional powers in order to

achieve national targets. This may be described as a way out of a decision trap of fragmented multi-level decision systems.

### **Conclusion: regional governance matters**

The case studies show that the organisation and design of regional governance influence the role and the arenas of the municipalities and regional authorities. The dialogue between the municipalities was strengthened in the Kristiansand region due to the common arena in the ATP committee. The politicians represented their municipalities rather than their parties. In the cases of the Funen and Hanover regions, there is evidence of professional networks that enhance dialogue across municipality borders. However, the cross-border coordination is directed towards the county or the region. In the Funen region, for example, the county had bilateral dialogue and meetings with all municipalities during the preparation of the regional plan. At other times the county acted as a mediator between local interests and professional or national planning guidelines and requirements. In the Hanover region, the region actively acts as a mediator between municipalities with conflicting interests.

All the three models of regional governance perform well as regional coordination schemes due to both the institutional design, and the quality of the dialogue between the stakeholders involved. There has been little evidence that the local level, represented through the municipalities, has less influence, when the regional level is strong.

The case studies in this report show that a strengthening of the regional level may improve policy commitment and professional engineering at the administrative level. In all cases the land use and transport policy is designed as an interaction between the municipal, regional and national level, but with a different stamp: e.g. in the Kristiansand region, with the inter-municipality agreement the influence of the municipalities remains high, even if national policy instruments such as the Public Reward Fund influences the regional governance pilot scheme. Commitment and competencies at the regional level may prove necessary for implementing national goals for integrated land use and transport planning in the municipalities.

However, only the Hanover region has been successful in achieving an integrated land use and transport policy with regard to the concentrated location of housing and retail trade and public transport access. These goals are achieved without major conflicts with the municipalities. One reason for the low level of conflict may be found in the overall legitimacy of the regional level in Hanover: The municipalities that were questioned in this study broadly support the role of the region and highlight at its role as a mediator between the municipalities and competing development centres in the region. Hence, the regional level in the Hanover region can be described as a necessary intermediary level between the national administrative and policy level (goals, instruments and planning requirements), and local planning interests.



To sum up, the report shows that strengthened regional governance could be described as a necessary, but not sufficient, condition for closing the gap between national policy goals and local implementation of an integrated land use and transport policy in Norway (such as urban concentration versus urban sprawl, reduced car use and improved public transport). Regional governance schemes face several challenges in achieving more sustainable land use and transport planning: *First*, the regional level is dependent on sufficient demand and support from the national policy level and on consistent policy instruments. Both in Funen and Kristiansand, ambiguous goals and incentives appear to influence the ability to follow the substantial goals of integrated planning. *Second*, historical patterns of settlement may constrain possible choices. *Third*, the path dependency of institutions at both local and regional level may hamper integration of land use and transport planning. *Fourth*, the range of competencies at regional level may be too limited to “make a difference.” With regard to road investment planning this was the case in all the observations.