

## **Regional Area Development in the Netherlands: new tools for a new type of projects**

### **1. Introduction**

For a number of years now area development has increasingly targeted the regional level in the Netherlands. The literature on area development is generally concerned with the suburban level of scale, using the terms ‘urban regeneration’ and ‘urban development/redevelopment’ interchangeably or as extensions of one another. Great Britain in the 1980s saw property-led urban regeneration, where government tried to breathe fresh life into the economic and social vitality of cities by promoting property development in inner cities. This policy has attracted a lot of attention in the academic literature, with new theoretical insights being developed in the form of models describing the development of the built environment (Healey, 1991; Gore & Nicholson, 1991; Louw, 2002). Priemus (2002) points out that remarkably few academic publications have appeared on the subject of area development and the development process at the regional level. In his article Priemus focuses on how spatial development at regional level ought to take shape, considers themes such as scope optimisation and value capturing and discusses ways in which the co-production of policy by the public actors could be brought about. Since then the Ministry has selected a number of examples of regional area development projects as examples of good practice. This paper presents one type of them.

In current Dutch planning practice in regional area development one type of projects concerns projects covering dozens of square kilometres and several municipalities, in which housing and office development is combined with developments in leisure, nature conservation and agriculture. Combining the different functions in one ‘project envelope’ helps to finance investments in nature, leisure and agriculture with revenue from the more lucrative housing and office developments (Priemus, 2002). Regional area development requires a new approach as regards the actors involved, planning tools and funding. Examples of this type of regional area development are the Blue City (*Blauwe Stad*), Lake City (*Meerstad*) and Wieringen Lake Area (*Wieringerrandmeer*).

The paper focuses on the abovementioned type of regional area development projects and presents one of them: the Blue City in the province of Groningen (Fig. 1). Many of these projects were initiated to stimulate the regional economy by developing an attractive living and working environment through the creation of a lake and surrounding nature and leisure facilities. This paper looks at the planning process and the planning instruments used in the Blue City project – as example of regional area development. However, in 2008 a new Spatial Planning Act will come into force and new instruments and competences will become available. Will the new Spatial Planning Act indeed facilitate this type of regional area project? The paper introduces Dutch policy and regional area development and the proposed changes in planning legislation. This will be illustrated by using the example of the Blue City project. Current and future planning instruments for the Blue City will be reviewed. The paper concludes with some changes related to planning legislation and comments on the provincial role in this type of regional area development projects.

**Figure 1 Location of the province of Groningen and the Blue City within the Netherlands**



## **2. Dutch policy on area development at the regional level**

Both spatial patterns and the way in which government directs spatial transformation are changing throughout the Western world: this is also the case in the Netherlands. Trends as urban governance, globalisation, regionalisation and federalisation contributed to these changes. As in many countries also in the Netherlands the region is increasingly the level at which spatial problems are being addressed. Both urban policy and planning tools are being adapted to the increasing focus on the regional level and a governance-related approach should facilitate public-private partnership in projects with a regional focus.

The National Spatial Strategy document (*Nota Ruimte*: Tweede Kamer, 2005), approved by Parliament in May 2005, puts considerable emphasis on the change in national government management. The Government has adopted a dynamic, development-oriented spatial policy and a clear division of responsibilities between national government and local and regional government. National government is thus returning to the decentralized planning system, with a central role for local authority land-use plans, and shifting the emphasis from planning to development. It considers its responsibility to provide other government authorities with a good toolbox for the implementation of spatial policy. Central issues in the National Spatial Strategy are pro-active or development-oriented planning, decentralisation, deregulation, and a focus on implementation. The National Spatial Strategy highlights 'creating space for development'. This

approach will be developed so as to have fewer rules and regulations dictated by national government, more scope for local and regional considerations, more development-oriented planning, and less development control planning. The national policy document supports comprehensive area development in which all the stakeholders participate.

One of the focus areas of the National Spatial Strategy is comprehensive area development at the regional level in which all the stakeholders participate. Whereas the Ministry of Housing, Spatial Planning and the Environment first used the concept of development planning (*ontwikkelingsplanologie*), this approach has currently been renamed regional area development (*regionale gebiedsontwikkeling*). The area-based comprehensive approach to spatial problems focuses far more than before on the quality of a larger project envelope as a whole rather than on various individual objectives. The concept of the project envelope, which offsets loss-making parts of the plan against those that make a profit, is something that is often used. Finally, there is much attention for partnership between government, private sector and organised interests in developing and implementing spatial plans. Comprehensive refers to the coordination of different levels of scale, disciplines, policy areas and the interests of the stakeholders involved. This focus purposely creates scope for innovative area-based models. A new role for the regional level emerges from the National Spatial Strategy. The appropriate tools to flesh out the policy will be anchored in the new Spatial Planning Act and new land policy instruments. The new type of area development might arouse associations with new towns in the Netherlands and Great Britain, but they differ in that in the case of new towns the emphasis was on urbanisation, the actors were organised locally, with strong direction from national government (but not from the regional authorities) and the allocation of roles and funding between public and private actors differed from the present situation.

### **3. The Blue City**

The Blue City project is an example of the new type of area development at the regional level. It was initiated to stimulate the regional economy by developing an attractive living and working environment by creating a lake and surrounding nature and leisure facilities. It is located in the province of Groningen, in the north of the Netherlands. Compared with the western conurbation (the Randstad) this is an area of wide-open spaces. It has little urbanisation and the economic situation is far from rosy. Most of it is agricultural land. With the declining importance of farming, the provincial administrators saw the need for an economic injection. The Blue City is the brainchild of a member of one of the local councils and an architect living in the area. At the beginning of the 1990s they came up with an unorthodox, ambitious and large-scale plan for the area to improve living conditions and preserve amenities. Their vision involved reversing the downward trend, with many residents leaving the municipalities for good because of lack of work, by building a relatively large number of houses with plenty of space in an environment with abundant water so that affluent new residents would move to the area. The initiative was taken over by the Province of Groningen. After problems with flooding in the northern part of the Netherlands in 1998, the new lake was also envisaged as additional water storage.

The Blue City site covers three municipalities (Scheemda, Reiderland and Winschoten). Since waterside living is regarded as highly attractive and therefore increases the value of the houses, and the open water itself also attracts leisure activities, the idea was to sacrifice agricultural land in order to create a large new lake. Creating a nature reserve was also proposed. The lake and the nature reserve would be funded from the sale of new building plots and houses. The total plan area covers 1500 hectares, of which about 840 hectares is water, 500 hectares is nature

**Figure 2 Plan for the Blue City**



Source: [www.blauwestad.nl](http://www.blauwestad.nl)

**Figure 3 Some impressions of the current situation**



Source: [www.blauwestad.nl](http://www.blauwestad.nl)

area and 160 hectares is land that can be released for building plots and dwellings. In the first instance between 1200 and 1800 plots will be released. If this turns out not to be feasible, smaller plots can be released, raising the number to the maximum of 1800. The average plot

size is 1000 m<sup>2</sup>. The final local land-use plans were approved in 2004, after which the land was acquired. The province financed the acquisition of land, but contracted out the acquisition to the Rural Areas Service (*Dienst Landelijke Gebieden*) within central government. A development company was set up to implement the plan. Following a lengthy period of preparation, work began on the project in 2005. Queen Beatrix officially inaugurated the water inlet into the lake on 12 May 2005. The sale of the first houses and unbuilt plots started in September 2005 and is progressing successfully. Although it was assumed that the houses and plots would attract mainly new residents from outside the region, the first buyers are mostly people moving within the region.

In addition, the Province of Groningen and the municipalities developed a plan to improve the quality of life in the villages around the Blue City. The plan aimed to solve traffic problems, provide new waterway links and social amenities such as sports, health and education, culture and welfare facilities. The core project of the Blue City is being developed as a public-private partnership. The public partners are the Province and the three municipalities. The private partners have formed a consortium of three developers. The Water Authority is also closely involved with everything concerned with water, and the State Forestry Service and the Groningen Provincial Nature Conservation Society are responsible for developing natural amenities.

While drawing up the plan, a considerable amount of time was invested in collaboration with all the stakeholders and communication with the local population. The plans were presented at village community centres, the farmers involved were visited in person, and a newsletter kept everyone up-to-date. The creation of public support for the plan was a major issue in the plan development, as in the culture of Dutch rural population returning land back to water is considered to be something that is rather unnatural. The Province has been a crucial actor throughout the period. The persistence of the Groningen provincial authority and the good partnership with national government, the municipalities, the Water Authority and the private-sector partners are generally regarded as having been vital to the project. Since the Blue City's inception, the private partners have displayed huge commitment to it. The Province is responsible for land acquisition (although contracted out), among other things, and is prefinancing the project at a low interest rate. The three developers have agreed to purchase the building plots and are also responsible for building the houses and selling the plots.

The example of the Blue City shows the shift towards a pro-active role for the province. Whereas provinces used to focus on strategic planning and supervision and control of local plans, they now have to move some way towards a pro-active implementation role. The new Spatial Planning Act and related legislation has to further reinforce and facilitate this.

#### **4. Changes in the Spatial Planning Act**

In the preceding section we summarized the development of the Blue City. In the next section we will highlight the major changes in the new Spatial Planning Act, after firstly having characterized the current planning system.

##### ***Current spatial planning instruments***

The Netherlands has three formal levels of government: national, provincial, and local. The Dutch formal planning system is based on the Spatial Planning Act (*Wet op de Ruimtelijke Ordening*), which dates from 1965. The Act defines a – partly mandatory – set of plans in the field of spatial planning. In the current planning system each government level has specific

planning instruments at its disposal, although changes in recent years have created some exceptions. Elements of each plan can be binding on lower authorities. The main national government planning instrument is the spatial planning key decision (*planologische kernbeslissing*). This document may contain strategic planning issues of national importance. At the provincial level, the regional plan (*streekplan*) is the main instrument and contains strategic planning issues relevant for provincial policy. At the local level municipalities can make a strategic plan (*structuurplan*) and a local land-use plan (*bestemmingsplan*). The land-use plan is the only plan that is legally binding on citizens through the regulation of land use and prescriptions related to land use. A building permit can only be granted if the proposal conforms to the land use and building prescriptions in the land-use plan. Besides this, local authorities can also formulate a project decision for individual projects. Such a plan is less comprehensive, but also legally binding. Both the land-use plan and the project decision have to be approved by the province. If the national government does not agree with the proposed planning regulations, it has an intervention procedure at its disposal. Although the system includes opportunities for a higher government level to influence a lower level land-use plan, these mechanisms are seldom used. The secret of successful planning is in extensive intra-governmental negotiation and consultation. The density of the discourse is probably the most fundamental characteristic of spatial planning in the Netherlands (Spaans, 2006).

On the basis of the current Spatial Planning Act, the provincial competences are as follows. The province does not have at its disposal the competence to determine land use regulations on its own. The province can, however, formulate a strategic plan i.e. the regional plan (*streekplan*). Furthermore, the provincial approval of local land-use plans (*bestemmingsplan*) is an important instrument. In practice these two competences are often applied in combination. Planning approval takes place in accordance with the strategic spatial policy as set out in the regional plan. In this manner the province can exert considerable influence on local spatial policy through verification; undesirable land use changes can be opposed, provided such a step is well supported by the planning policy. The province has fewer opportunities to enforce certain changes in land use. To be sure, there is an opportunity to give a local authority notice of a change in the local land use plan, but the use of this competence is procedurally time-consuming (Spaans & De Wolff, 2007; Spaans, 2007).

### ***Proposed changes in the new Spatial Planning Act***

The Spatial Planning Act has been amended several times since it first came into force in 1965. As a consequence it has become rather complicated and confusing in practice. In 1999 the government decided to revise the Act fundamentally, which led to a memorandum (Tweede Kamer, 2000). The Bill to revise (fundamentally) the current Spatial Planning Act has recently been approved by Parliament. The Act is expected to become effective in 2008. The most important proposed changes boil down to the following (Staatsblad, 2006). The new planning system will be less complex: the two main planning documents will be a strategic plan and a legally binding plan. The strategic and indicative policy will be set out in structure visions (*structuurvisies*); the legally binding, prescriptive policy will be set out in the land-use plans (*bestemmingsplan*). For smaller projects a project decision (*projectbesluit*) can be made. In such a case, within a few years it has to be followed by a change of the land-use plan. The making of these legally binding land-use regulations as well as strategic planning should become possible at all governmental levels. In addition to these, the possibility of making general legally binding land-use regulations by the provinces and the national government is being introduced. For example, such a regulation could be a decision from national government that realisation of new buildings close to rivers that have a flooding risk is not allowed anymore (Spaans & De Wolff, 2007).

In the structure vision, an integrated outline must be given of the desired spatial developments for a particular area and direction must be given to the relevant spatial policy for the area. The structure vision will replace the national key planning decision at the national level, the regional plan at the regional level, and the municipal structure plan at the local level in the current Spatial Planning Act. The new structure vision is a mandatory policy document without any legally binding elements, in which the administrative body that establishes it aligns itself with a vision of the desired spatial development in a particular area. If the provincial interest or the interest of national government is at stake, they will have the power to make their own legally binding land-use plans, called an imposed land-use plan (*inpassingsplan*) or project decision in the new system. As far as the legally binding land-use plan is concerned, the new legislation also aims at more up-to-date local land-use plans. Therefore in principle every ten years a land-use plan has to be revised. A quicker procedure and an obligation to make digital plans should facilitate this. Finally, the new Act is simpler and more transparent (Spaans & De Wolff, 2007).

One of the objectives for revising the spatial planning system was to strengthen the provincial role, and this has partly been elaborated in the new Spatial Planning Act. But strengthening also takes place through separate legislation concerning, for example, land policy instruments. Both the new imposed land-use plan and the project decision are important instruments in this strengthening of the province. Another change is that the provincial competence to approve local land use plans will be replaced by a different form of control. The role of the province will now be concentrated at the early phase of objection jointly with the other stakeholders and the province will have the competence to not put parts of the local land-use plan into operation if they are considered inconsistent with the provincial interest. Another new competence acquired by the province is to establish generally applicable land-use regulations, which local authorities must translate into local land-use plans. Even though there is, as yet, no planning practice under the terms of the new legislation, planning experts are facing the changing role of the province towards more involvement in the actual implementation of spatial interventions with confidence (Spaans, 2007).

## **5. Current and future planning instruments in the Blue City project**

### ***Planning instruments as used in the Blue City***

The Blue City plan area was included in the regional plan. The Province approved this plan in 1994. The regional plan envisaged the elaboration of a part of the regional plan for the Blue City area. Parallel to this elaboration the three municipalities involved (Reiderland, Scheemda and Winschoten) drew up a joint global land-use plan for the Blue City. Both plans were endorsed in 1998. Although the content of both plans is quite similar, both had to be drawn up as the regional plan binds municipalities and the land-use plan individual citizens. The province also had to produce an environmental impact assessment (MER: *Milieueffectrapportage*) (1998) because of the size of the new lake. Such an environmental impact assessment has to be related to the first formal spatial plan which introduces the new land use.

In 2000 the three municipalities approved the provisional draft land-use plan, which followed the global land-use plan. Simultaneously with the land-use plan procedures, the implementation plan (*inrichtingsplan*) was developed in 2000. In legal terms this implementation plan is part of the land-use plan. Early 2001 a partial revision of the local land-use plan was passed and approved by the provincial authority. The operating boundary of the project area was decided upon at the end of 2001. In 2004 the final local land-use plans were passed and the land was acquired.

### ***Planning instruments available under the new Spatial Planning Act for a project as the Blue City***

Under the new Spatial Planning Act the province can include a vision for a regional area development project in a structure vision. This is a policy-oriented document and thus not legally binding upon municipalities. If the province wants to issue binding regulation, the Act provides for a competence to establish generally applicable land-use regulations which municipalities must translate into local land-use plans. But the exclusion of certain land uses is more likely to follow (for example, building in areas of outstanding ecological value) than the stimulation of a certain sort of land use, as is the case in an area development project.

An important new opportunity for a project as the Blue City is that the province can draw up an imposed land-use plan, the provincial type of land-use plan. Thus a joint land-use plan by the municipalities concerned as for the Blue City will not be the only way of making a legally binding plan. A provincial imposed land-use plan – but also a project decision – can replace this. However the province can only use this opportunity to establish elements of spatial planning that are of *provincial* importance. Focus on public support and support from the concerned municipalities will remain very important to avoid time consuming objections in the approval of the plan. In the Blue City project the three municipalities cooperated constructively after they were convinced of the positive effects of the project. But in case one the concerned municipalities – municipal executive or council – is frustrating the process, the provincial imposed land-use plan will accelerate the planning process.

Although the focus will remain on the local level in the implementation process in the new Act, new instruments have become available to facilitate regional area development projects as the Blue City. Related legislation on for example land policy instruments and intermunicipal cooperation will further reinforce this.

## **6. Conclusion**

The aim of this paper was to introduce the regional area development approach in the Netherlands by highlighting a case study and bringing forward the changes to this type of projects by the new Spatial Planning Act. This section concludes the paper with some changes related to planning legislation and comments on the provincial role in this type of regional area development projects.

The shift towards a pro-active role for local and regional government also involves the need for cultural transformations. Whereas the province used to focus on strategic planning, supervision and control of local plans, it now has to move some way towards a more pro-active implementation role. This calls for different skills from the civil servants, which are not always readily available. Pilot projects in regional area development – such as the Blue City – now apply ad hoc solutions, as the current Dutch spatial planning system is not properly equipped to handle this kind of projects. The proposed changes will hopefully change this.

There is also a need for new financial tools for creating or improving 'green' (nature and leisure) and 'blue' (water recreation) – often economically weak – land uses in regional area development projects. The new Land Development Act (*Grondexploitatiewet*) provides some additional land policy instruments and is intended to facilitate the recovery of costs within the planning process (De Wolff et al., 2004). The Act will be linked to the new Spatial Planning Act and has already been approved by Parliament and Senate. Under the new regulation equalisation could then also take place within the planning process. The basic principle is that a

list of specified categories of costs can be set against the land development. To a certain extent, costs incurred outside the plan area may also be taken into account. Supplementary land policy instruments, which can facilitate spatial developments at the supralocal level, will be added to the Act. Besides the municipality, also provincial and national government will be allowed to make use of the Land Development Act to set equalisation of costs in case of 'green' and 'blue' facilities and in infrastructure provision. It will thus become easier to handle supralocal projects in which economically strong and weak land uses are related. Private developers may then be enforced to contribute to the financing of nature and leisure facilities and a lake (water storage).

The provincial authority is often in charge of regional area development projects initially. In the rural areas in need of economic revitalisation, the municipalities involved are often small and not in a position to make a substantial contribution because of their limited capacity, experience, financial resources and knowledge. They do play a vital role in decision-making, however. Under the current legislation the municipality is the only government tier which can draw up a legally binding plan: without their cooperation the project will not go ahead. This was also the case for the municipalities involved in the Blue City project. The province had a leading role in the process, as the three municipalities concerned were small and financially weak, and thus lacked administrative and financial capacity to start up such a major project. At the start of the project an intermunicipal cooperation was set up under the Intermunicipal Statutory Regulations Act (WGR: *Wet Gemeenschappelijke Regelingen*) for the three municipalities to coordinate the planning and management of the Blue City area. Meanwhile both province and municipalities have come to the conclusion that a merger of the municipalities is necessary to efficiently address the local government tasks in the Blue City area. Housing, economic activities, recreation, and living environment need an interrelated approach in the area which needs more than an intermunicipal cooperation according to Province and municipalities. A final decision is expected in 2008. In case of larger and financially stronger municipalities, there is less need for the province to take the lead in the planning process. This is especially the case in the city-regions. Their precise role in the new Spatial Planning Act is still under discussion, but it might be that the province will be able to delegate its competence to set up a binding land-use plan to the city-region.

In many regional area development projects the province has to choose between adopting a facilitating and a pro-active directing role. The directing role amounts to managing actively, taking the lead, based on joint agreements on the implementation of the programme or project. Provinces are extremely selective when it comes to adopting this role. In some cases the province will opt for a participatory role if it wants to be involved in spatial projects on a risk-bearing basis. It can do this by acquiring land holdings (in anticipation of development) or by participating in a joint land development company or regional development company. In some of these projects such as the Blue City the provincial authority is participating (or intends to participate) on a risk-bearing basis. As for the Blue City the reason is that these projects are located in an environment where there is a supply-led market and private sector operators are not going to come up with investment plans of their own accord. In situations of this kind, if the province takes on an active, risk-bearing role this may help other actors to overcome their inhibitions and take part in the area development.

This paper sheds some light on Dutch policy on regional area development and new spatial planning legislation. This is elucidated by a regional area development pilot project – the Blue City –. We show that new planning instruments will facilitate the implementation of such projects. But planning practice will have to show whether the use of these instruments in practice in the interaction with other government tiers, citizens and private sector will meet the expectations.

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