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SUMMARY NOTE

For a more integrated cross-channel cooperation between Kent and Nord-Pas-de-Calais¹

Issues and Operational Perspectives

Introduction

Context and issues

This year (2004) sees the one-hundredth anniversary of the signature of the *entente cordiale*. Coupled with the tenth anniversary of the opening of the Channel Tunnel, the realisation of a mythical project that has aroused the wildest geo-strategic and military dreams for over 300 years, this study, carried out by the *Mission Opérationnelle Transfrontalière*, was commissioned by the *Syndicat Mixte de la Côte d'Opale*, the Littoral Development Fund (FODEL) and Eurotunnel.

The study follows on from two previous studies measuring the impacts and benefits of the Tunnel on either side of the channel since its opening. It aims to encourage a more strategic reflection on this “unique border” between France and the United Kingdom, separated by a maritime border whilst at the same time benefiting from a fixed link in the form of the Channel Tunnel. More precisely, **the study aims to evaluate the key issues of the**

¹ Pour une Coopération Transmanche de Proximité plus intégrée entre le Kent et le Nord-Pas-de-Calais.

development of cross-border cooperation between Kent and Nord-Pas-de-Calais with regard to the geographic, economic and political links between the two territories as well as the specific constraints and the under-exploited but nonetheless real potential of the presence of such a transport infrastructure. Finally, the study aims to make operational recommendations.

Objectives

This study has supplied a geographical and political analysis of the extent of overlap of the two territories concerned and the nature of cross-border cooperation that binds them. It has resulted in the initial knowledge base necessary to develop proposals in favour of desirable and balanced cross-border development.

The study equally puts emphasis on the specific needs of the territories and their key players as well as on the obstacles that can be found with this type of cooperation.

The study also constitutes an updated reference document for the area thanks to the numerous analyses that it provides (comparative indicators on the respective territories, performance of participants, the evolution and nature of cross-border cooperation, etc.). It also serves as **a basis for discussion and a guide for actions, inasmuch as it explores different scenarios and makes suggestions, both in terms of possible topics and projects, and on how they might be implemented.**

Finally the study, **covering the geographical area of Kent and Nord-Pas-de-Calais**, with an important focus on the coastal areas, examining more specifically the problem of local cross-channel development, has been developed according to two separate lines of thought set out in separate sections of the document.

The **first section** provides **a preliminary analysis of the current situation. The extent of interaction and of interdependence between the two territories on either side of the channel:** What do they have in common? What are their differences? Where do they interact? What is the reality of their cooperation and the degree of involvement of the key players? What is their motivation to act? This first section is necessary in order to establish a solid basis for discussion on the future of cross-channel cooperation.

The **second section is more forward looking.** It aims to **identify the enabling factors allowing an increase in cooperation between the two territories, and to sketch out different scenarios for development of local cross-channel cooperation** depending on the level of political involvement of potential partners, on the technical complexity of realising such projects, the financial means available, and the legal and regulatory adjustments necessary for their implementation.

A series of 10 tables and 36 maps support the study's text:

- Territorial maps comparing Kent and Nord-Pas-de-Calais on the basis of twenty or so demographic and economic indicators
- Maps showing existing transport flows between the two territories including a detailed analysis of the motivations for travelling.
- Forecast map for cross-channel commuting.

FIRST SECTION: context and scope for development: on what bases should the concept of cross-channel development between Kent and Nord-Pas-de-Calais rest?

This first section is particularly important in order to **understand better what brings together and what separates Kent and Nord-Pas-de-Calais both from a technical (comparative analysis of different sectors by characterising their functions) as well as from a political point of view (the nature of maintained cooperation, cultural obstacles, differences in approach or opinions and the interests of participants).**

This background knowledge is necessary in **order to better identify possible scenarios for developing co-operation between the two sides as well as the technical and political forms that they might take.**

The first chapter of this section concerns the analysis of the two territories, commencing with a comparison of their forms of local government. The study looks at the functioning of the different English and French local authorities, their financing, local tax systems and organisation in respect of local development and urbanisation.

Note in this respect a comparable organisation of the levels of local governance except for – on the British side – a system of delegated competences to the lowest level from the highest level (County to District). On the British side, the attribution of competences between the different levels of local authority is not uniform and in contrast to France, certain British local authorities possess more competences than others (e.g. Unitary Authorities).

Equally, on the British side there is a stronger centralisation and supervision of local development policy, in the areas which interest us, notably through the *Government Office for the South East* (GOSE) which represents the British Government at the regional level (a grouping of 19 Counties and Unitary Authorities). The *Office of the Deputy Prime Minister (ODPM)* plays a role in setting up and controlling spatial development policy in the country and does not hesitate to impose its will (for example, the choice of focusing growth away from London towards Ashford).

The comparative analysis of the administrative systems on both sides shows a specific trend with regard to the management of public services in Britain which have often been delegated to semi-corporate regional bodies created by the Labour government in 1998 under its “new public management” approach.

The comparative territorial analysis also considers the **geographical functions** of the two territories. Contrary to many other border zones, including those divided by a stretch of water like the Channel, the French and British territory show **many differences in their history, culture, urban make-up, size and economies.**

Kent and Nord-Pas-de-Calais are in fact themselves very diverse in their make-up. Nord-Pas-de-Calais is polarised around its regional capital Lille (with its 1.8 million inhabitants and an urban multinational feel), and smaller medium-sized towns of approximately 250 000 inhabitants (Dunkirk, Valenciennes, the coal mining area). Kent is more modest in size with many smaller towns, especially on the outskirts of London. The west of the county is only 14 miles from the City. The county is therefore strongly polarised by London, in particular with

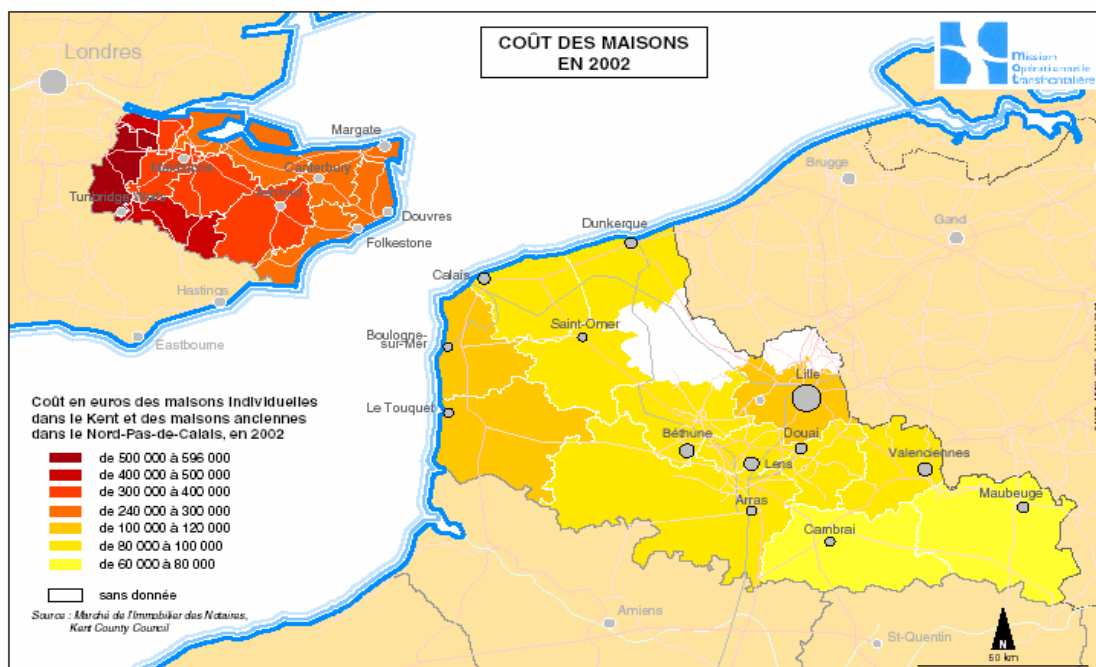
commuting on the many transport links, and a large part of the county can be looked on as a large suburb in the process of urbanisation.

Historically, England and France have never truly been part of the same political territory, unlike other maritime-border regions such as Öresund or Sardinia and Corsica; they were rather bridgeheads of two competing empires where the incumbent political powers never ceased to try to invade the other.

From a demographic viewpoint, the territories have their own very distinct and different characteristics, both in terms of their population breakdown and their demographic evolution. Nord-Pas-de-Calais is a younger area with a rising birth to death ratio, but with a particularly negative rate of outward migration while Kent shows opposite characteristics with an older population and a decreasing birth to death ratio in coastal areas, but with a high rate of inward migration.

Contrary to popular belief, there are more French people resident in Kent (2,743 identified but 5,000 estimated) than there are British people resident in Nord-Pas-de-Calais (1,932). For the former, living in Kent is mainly due to professional reasons whilst for the latter; the determining factor is linked to house prices and lifestyle choice.

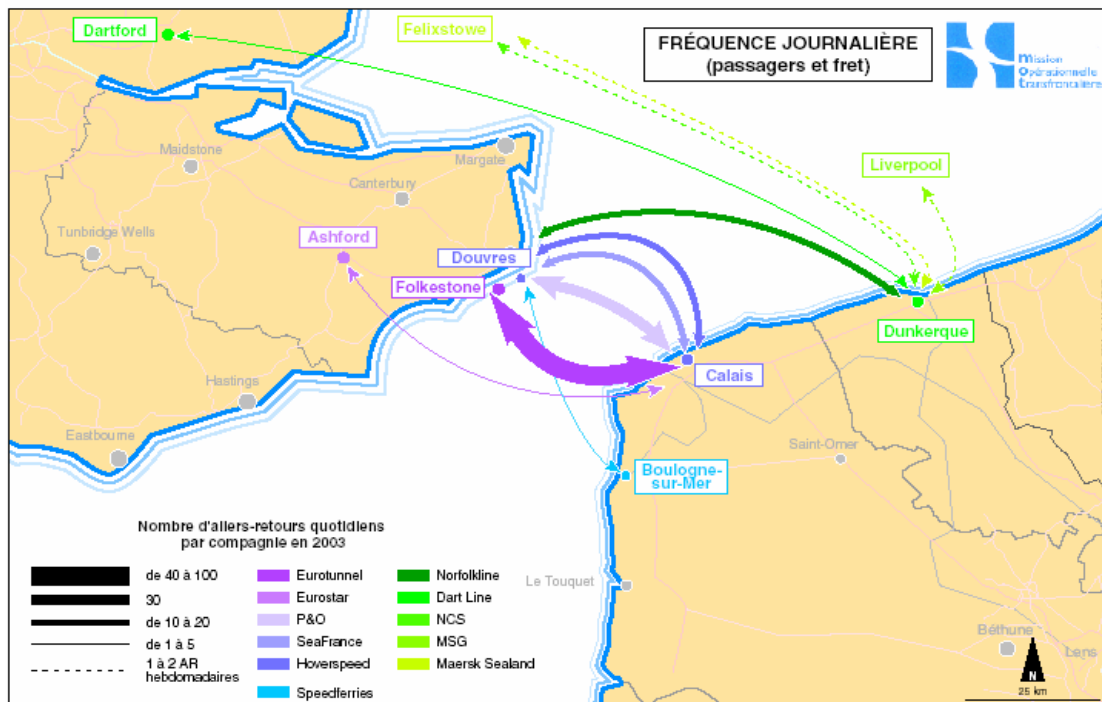
In terms of housing, the price differential is highly contrasted between the two sides of the Channel. The British housing market is particularly tight, Kent being one of the most expensive counties in the UK whereas Nord-Pas-de-Calais is more affordable when compared with the French national average. The acquisition of second homes by the British is sizable and is expanding, notably in the south-western area of Nord-Pas-de-Calais, around the towns of Boulognois, Audomarois and Montreuillois.



In terms of transport flows, the Channel is criss-crossed by multiple short trips as well as longer distances, shared out on a roughly equal basis between Eurotunnel and ferry operators. The majority of short distance trips is currently stagnant, if done between Calais and Dover. It

is interesting to note the positioning of Eurostar as a long distance operator with the result that it dissuades short distance travel through its tariffs and timetables.

These short distance flows amount to 27.4 million people in both directions (2000 figures), with 81% of return trips starting from the British Isles. This imbalance reflects the difference in tourist attractiveness between the two territories. The UK and Kent are considered too expensive compared with France and in particular Nord-Pas-de-Calais, which receives a very significant in-flow of day-trippers who come to buy alcohol and food products; an inflow of short-stay trips which are increasingly popular among the British.



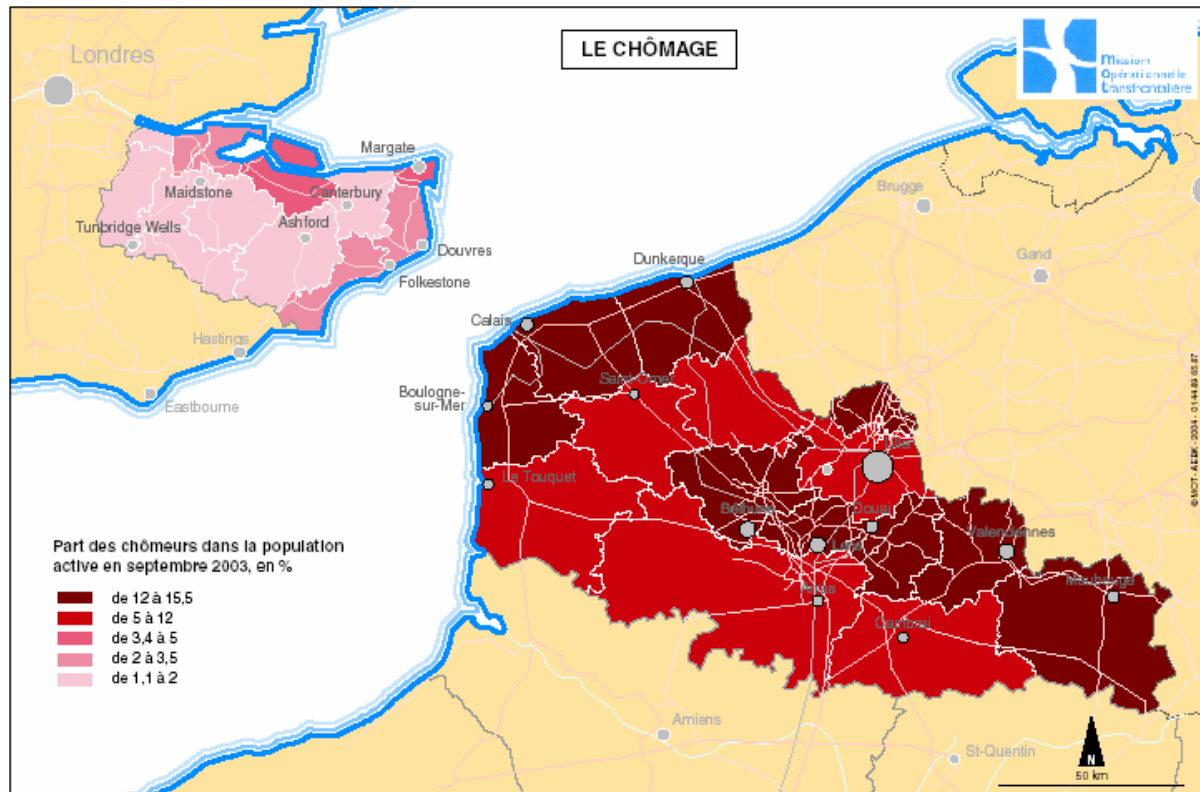
From an economic point of view, relations between the two territories are weak despite this tourist dimension. The flow in cross-border workers are particularly low with 241 residents from Nord-Pas-de-Calais working in the UK (of whom 45 are British), very low when compared with the 15,000 residents in Nord-Pas-de-Calais (including 1,800 Belgians) who travel to work in Belgium everyday. The flow in the opposite direction is virtually non-existent.

Such a contrasting economic profile between two border regions is not found in any French border area other than that of Kent and Nord-Pas-de-Calais. However, it is true that in the present case, it is a maritime border.

Kent (“The Garden of England”) is not a heavily-urbanised area. Its western part constitutes a commuter suburb of London and the home of many high added-value companies and an area of high value housing in the London basin. Although characterised by a level of low unemployment when compared to the national average, Kent has several areas with economic and social difficulties, mainly concentrated on the Isle of Thanet and the Medway Estuary.

Nord-Pas-de-Calais constitutes an important industrial region, largely reconverted after the crisis in the 1970s and 1980s, but has maintained a range of traditional activities such as

textiles, distribution and metallurgic industries. Numerous pockets of endemic poverty still exist in the region, characterised by one of the most significant levels of unemployment in France, being three times higher than that of Kent. There is great contrast between the region's coastal, urban, and mining areas and their rural and non-industrialised margins away from the cross-channel issues.



It is interesting to note the extent to which Kent's industrial economy, which employs a much smaller workforce than that of Nord-Pas-de-Calais, differs in its leading sectors: light and high-tech industries in Kent compared to heavy industry in the coastal areas of Nord-Pas-de-Calais. The same goes for the services sector: Kent's proximity to London influences the nature of Kent's activities whereas Nord-Pas-de-Calais' service sector is characterised by retail and the public sector.

The common features of the two territories relate to the strong presence of the retail sector: shopping malls, hypermarkets, factory outlets, but those areas which create new growth tend to generate competition rather than cooperation.

In terms of SME taxation, corporate and professional tax levels are 4-7% higher in France than in the United Kingdom. Income tax is equally less favourable when working in France compared to Britain bearing in mind that the workplace rather than the place of residence is the major determining factor. The council tax levels, lower in Nord-Pas-de-Calais than in Kent, do not compensate for the differences in taxation and argue in favour of working in Britain but living in Nord-Pas-de-Calais.

The first section of the study also looks at the reality of cross-channel cooperation. At an institutional level, cross-channel cooperation is nearly entirely made up of Interreg 1, 2, and 3 projects, unlike on many other borders.

Interreg 1A	Interreg 2A	Interreg 3A
Nord-Pas-de-Calais / Kent	Nord-Pas-de-Calais / Kent	France / United Kingdom
<i>83 Projects</i>	<i>177 Projects</i>	<i>52 Projects</i>

If the different Interreg programmes (Strand A) between Kent and Nord-Pas-de-Calais have shown a qualitative and quantitative progression over the years through the three programme generations (1 followed by 2 then 3) there are nonetheless unresolved difficulties such as project cost differentials between the French and British sides (much higher in Kent) or different levels of decision making and competences on either side of the Channel when putting together Interreg funding bids. The British government, through GOSE still applies a strict control on the programme with regard to the granting of finance for which elected members have no say whilst on the French side this competence, for instance, has been passed on to the regional level (for Franco-British Interreg 3A projects the managing authority is the Regional Council of *Haute-Normandie*)

Cultural differences in the use of Interreg also create difficulties: **the focus on strict short term financial return of projects, on the British side, frequently contrasts with the French approach which tends to focus more on medium term strategy and objectives.**

The Interreg 3 programme, like the first two programmes, continues to make up most of the cross-border cooperation field between the French and British areas. Interreg has undoubtedly played a role in stimulating cross-border cooperation, but what would be the future of cross-channel cooperation without it?

In terms of the content of projects, **there are many initiatives but they do not seem to fit with an overall transmanche cooperation strategy.** This underlines the lack of overall coherence which is reflected **in the lack of efforts in giving substance to the concept of a cross-channel region.** This concept comes through strongly in the Interreg project bids but does not always materialise in reality.

There is a desire to rest the transmanche cooperation on the Franco-British partner networks, whether they are thematic networks (for universities in or in the field of tourism) or **territorial ones** (partnerships of Boulogne-Shepway (BOSCO Project); Dunkirk-Dartford and Medway on very concrete projects). However, more progress is needed. Also, proper communication on the use of Interreg and a simplification of administrative rules, often too cumbersome, would perhaps attract back some project holders, British in particular, who currently do not want to use this financial instrument any more.

The first part of the study analyses **the barriers to the development of a better Franco-British partnership.** These difficulties have as much to do with the key players, whose political declarations do not always facilitate things as with the technical constraints relating to the trans-maritime nature of the relationship between two very different territories, both economically and culturally.

First of all, it is necessary to stress the **complexity of the interaction between key players (a large number of whom have been interviewed)**. The Franco-British relationship has often been a series of misunderstandings. Moreover, this relationship is often **a catalyst and a reflection of internal difficulties within each area, particularly on the French side**. Beyond their political differences and their unequal human resource capacity, the paradox is for the port towns of the Côte d'Opale coast to work together on cross-border activities when they often are in competition over their relationships with the Channel and with Britain.

Beyond the cultural differences on either side of the channel, a number of technical restraints reinforce the difficulty of working together: low level of bilingualism, dissimilarities of the areas, means of transport insufficiently geared towards cross-border travel with respect to modality and price.

SECOND SECTION: propositions in terms of the measures to be implemented through projects and recommendations on the operational methodology of supporting actions.

The second section presents three possible scenarios for the development of relations between Nord-Pas-de-Calais and Kent: the first scenario projects a future for the channel area where the level of cooperation neither increases nor decreases in the methods used and resources available. It portrays **all the negative consequences for all the territories in doing nothing more than they are currently doing**.

A second scenario explores a middle way, a deepening of the current cooperation, **searching for new partnership for cooperation and the reinforcement of the coordinating systems in the management of projects**. It outlines for each territory old and new themes which seem to be the paths for stronger cross channel cooperation: education, the social integration of problematic young people in the towns on either side of the English Channel, culture, the political dimension, the strengthening of the cooperation between services of local councils, urban regeneration and economic development through different shared themes.

In this second scenario, the study notes the importance of education especially via the *Transmanche University* project which would gain by attaching itself to an axis of cross-channel and cross-border territorial development, as in the case of the universities of Nice, Bayonne, and Strasbourg. This chapter enters into the potential economic development streams, through sites and themes (port activities, adding value to land, logistics and transport, energy, tourism, etc.), by basing itself on the sectoral characteristics, the enterprises, and current projects on each of the coastal areas of Kent and Nord-Pas-de-Calais. The recommendations concerning the political dimension are particularly developed, notably in terms of structuring a political will with the clear designation of leadership, a new positioning to encourage British and French local authorities, propositions in terms of working methods and partnerships, and the setting up of an annual cross-channel meeting. The success of cross-channel cooperation is also subject to the strengthening of internal local authority services for European, and particularly cross-channel, cooperation through a greater understanding of each others culture and the exchange of knowledge, together with mastery of the relevant languages and training.

Finally, **a third scenario develops the “commuting” path**, in other words, the development of work-home migration between the South East of England and Nord-Pas-de-Calais. It compares the favourable elements and the obstacles already existing before any project can be

implemented as well as the necessary conditions and the operational method to follow (political will, the importance of communication and the involvement of the private sector, the transformation of the transport methods with its different stages, etc) and the positive and negative consequences linked to such a development.

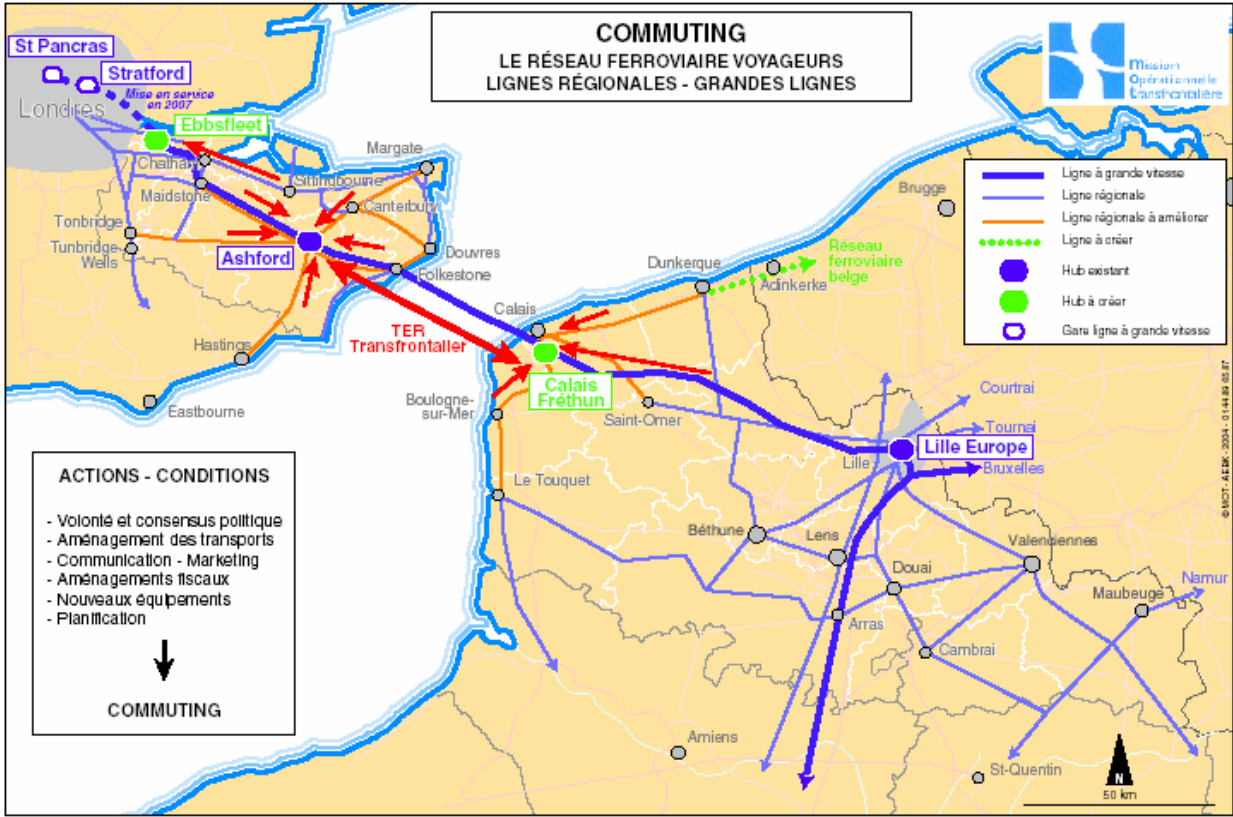
It seems that one of the essential conditions of development of traffic between the two countries and the areas of Kent and Nord-Pas-de-Calais resides **in the implementation of a means of local transport which is fast, efficient, safe, affordable, and connects with the intermodal plan on both sides of the Channel**. Contrary to the operation of the Channel Tunnel, which is entirely funded through private financing, the financial burden of such a means of transport must fall to some extent on the public domain (central and local). This local transport must create a strong linkage between the two border regions in order to realise a truly Franco-British cross-border territory within which people can move around more easily.

If the implementation of such an operation **is not ruled out, the obstacles, whilst surmountable**, are real: the absence of mobilisation by public figures on the British side, economic distrust from the ferry companies, the absence of a coastal railway infrastructure on the French side and weak economic, linguistic and cultural integration by the working population on both sides of the channel.

Nevertheless, there are many more favourable elements, starting with the existing market of travellers, created for the most part by the difference in land and housing prices on either side of the Channel and a fiscal policy favourable to employment on the British side and residence on the French side. Equally among the number of strengths, is the rail restructuring on the British side (the Channel Tunnel Rail Link) which has created an international high-speed railway line to and from London but also a faster regional one within Kent and the South-East of England between London and the Channel Tunnel, shortening the travel time to and from Nord-Pas-de-Calais. The technical availabilities in the Channel Tunnel, in particular, the availability of slots and rolling stock, reinforces the credibility of the project. Also supportive is the lack of hostility on the French side to such a project - at worst a certain indifference amongst some, but real enthusiasm amongst the political leaders of Nord-Pas-de-Calais. The concept interests the large French transport groups, notably Transdev, Connex-CGEA and Kéolis, who are seeking to position themselves for this possible market.

The third scenario follows the possible operational mode and the necessary conditions for the success of the “*commuting*” project (basically working in England but living in France). The condition sine qua non is first of all **political will which will give the project its initial impetus** based on the involvement of all the local and national players concerned and the European Commission, both for political and financial support. Without this support, the development of commuting has little chance of happening. **Communications and marketing**, particularly on the British side, are equally determining factors. On the British side, the project will not be the responsibility of the public sector but will depend in part on a private sector initiative which will help to launch it: a network of estate agents working closely with their French counterparts (both solicitors and estate agents). Advocated are advertising on the British side the benefits of cross-Channel commuting, putting ‘packages’ on the market which would offer houses on the French side and information on the promotional fares offered by Eurotunnel for commuters and the publication of a practical guide, detailing the administrative procedures of moving to Nord-Pas-de-Calais. It is a matter of showing potential British commuters that the concept of living in Nord-Pas-de-Calais whilst working in London or Kent is financially attractive and possible and will soon be enhanced by the forthcoming reduction in the journey time between London, Kent and Nord-Pas-de-Calais.

Local transport services are at the technical heart of the third scenario by plugging the gap in regional train services between Kent and Nord-Pas-de-Calais using High-Speed trains in a more original fashion.



At the technical level it is a question of starting the project by experimenting with a bus loaded on to *Le Shuttle*, which would allow a relatively cheap and flexible trial. The follow up would be a rail operation where passengers would use existing Eurotunnel rolling stock (the truck drivers’ carriage of Freight shuttles) with a connecting bus service to the Coquelles and Folkestone terminals before the establishment of a more integrated line. The next step would be to envisage the implementation of a dedicated special vehicle with connecting services at Ashford International and Calais-Fréthun Stations. In the long run, this could lead to the progressive elimination of breaks in the service with the implementation of stricter security protocols enabling trains to circulate between Lille and London St Pancras stopping at Calais-Fréthun, Ashford, Ebbsfleet, and Stratford. These stations would have controlled access points and connect with the normal local and regional services. This project will not happen without the planning and financing of infrastructure improvements, notably on the French coastal route between Boulogne and Dunkirk via Fréthun and the eventual setting up of a hub for connecting services at Calais-Fréthun to receive connecting passengers from Lille, Boulogne, and Belgium via Dunkirk. The support of the various levels of local authorities, including the Regional Council, regional rail transport organising authorities and the French National Railway Company (SNCF), is therefore essential.

Finally, the development of tariffs for users is of primary importance for the popularity of the line. It is important to commence direct negotiations between Eurotunnel and large British companies from Kent and the London area who are likely to employ cross-channel commuters. The interest for them is to ease the housing problems of their employees (a key

budget item) who find it difficult to find suitable housing in London and South East England. The possibility of finding housing in France at a reduced price would enable companies to stabilise their workforce and lessen the negative effects of strong occupational mobility in Britain by improving the standard of living of employees by way of a “travel allowance” by companies and/or negotiated season tickets with Eurotunnel. A publicity and promotional campaign will be needed to complement the concept of commuting.

The settlement of Britons in Nord-Pas-de-Calais should neither be planned nor managed at the spatial level. In fact, it should be done in the most natural and diffuse manner possible. The British who will install themselves in Nord-Pas-de-Calais will most probably be in search of a French life-style and detached residences, particularly in a rural setting. The authorities must ensure that property companies avoid offering accommodation that could lead to British ‘ghettos’ and that they manage any residential and urban development through the planning process, an activity which is not, in any case, specific to the arrival of cross-border residents. The growth in the number of potential British commuters settling in France will no doubt be progressive and slow, and the management regulations linked to their arrival can be re-evaluated at appropriate times.

It is advisable to outline the **potential positive and negative consequences** for the Channel areas. They are given as indicative only.

The **negative consequences** might include the increase in land and property prices on the coast of Nord-Pas-de-Calais, increased pressure on land, the development of an economic dependence on Britain, the risk of cultural friction and rejection of incomers by Nord-Pas-de-Calais residents. However, it is important to note that a **large number of these consequences would only become a reality if the number of British commuters living in Nord-Pas-de-Calais becomes very high, something that is very improbable at the present time and will remain so in the future and will be no way near the numbers found in regions with land borders** (such as the Franco-Geneva area).

The **positive consequences are plausible in the short term** and include: enabling Britons to change their way of life and improve their quality of life; permitting Kent to avoid the fragmentation of its countryside and the saturation of its transport infrastructure; commuting as a development strategy for the Kent and the Nord-Pas-de-Calais coastlines; better access to the regions of north west Europe; a mixed population favouring better Franco-British cultural integration; and an infrastructure – the “Transmanche Regional Express” – which will benefit all the possible areas of cooperation described above.