

England's Economic Heartland Strategic Alliance Strategic Transport Forum

13th May 2016

Agenda Item 4: Major Majors Fund

Recommendation:

It is recommended that the meeting commission the Transport Officers Group to:

- a) Collate a list of potential schemes suitable for 'major majors'
- b) Prepare an initial programme of investment and identify those schemes that, from a Strategic Alliance perspective, should be prioritised
- c) Prepare for the Forum's consideration a submission to the Government on behalf of the Strategic Alliance
- d) Take into account in its work, the on-going discussions with TfL on a potential joint proposal

1. Context

- 1.1. At its first meeting Forum members were made aware of the forthcoming Large Local Major Schemes fund – colloquially known as the 'major majors' fund. The fund (£475M) was announced in autumn 2015 and forms part of the wider £12bn Local Growth Fund.
- 1.2. The aim is to provide funding for those exceptionally large, potentially transformative schemes that are too big to be taken within regular Growth Deal allocations and which might not otherwise be funded.
- 1.3. In other words, the focus is on schemes that have a wider strategic (i.e. sub-national) impact. This emphasis is reinforced by the encouragement given to proposals being put forward that have the support of more than one Local Enterprise Partnership.
- 1.4. At its meeting in February Forum members heard from the DfT that the sub-national approach underpinning the Alliance offered partners the opportunity to provide a strategic overview on potential proposals across the Heartland area. A strategic overview of potential proposals was seen by the meeting as adding value to the proposals put forward to DfT for consideration, and consistent with the Alliance aim to make a stronger collective case as to the need for investment in the Heartland area.
- 1.5. This agenda item refers to the 'major majors' fund element of the Local Growth Fund: it does not relate to the other elements of the Local Growth Fund on which local partners are also working.

2. Considerations

- 2.1. The creation of a fund for 'major majors' is to be particularly welcomed, acknowledging as it does the reality that the current funding arrangements make the delivery of larger-scale, strategically significant scheme difficult.
- 2.2. However it is very clear that competition for the funds currently available will be fierce. Of the indicative £475m, some £150m has already been allocated to two large scale schemes in the East of England.
- 2.3. Moreover the funding is available for schemes capable of being delivered in the period up to and including 2020/21. The majority of the funding is available towards the latter part of that period, reflecting the simple reality of the timescales associated with the delivery of such schemes (including the completion of statutory processes where necessary)
- 2.4. In practical terms given the scale of funding available, and given the likely demand for funding across England, the opportunities to secure funding for 'major majors' across the Heartland area will be limited.
- 2.5. This reinforces the importance of a strong strategic response to the call for proposals co-ordinated through this Forum.
- 2.6. In this regard the Alliance partners can begin to draw on the work already underway on the overarching Transport Strategy for the Heartland area. Our ability to set out as part of any proposal the strategic (sub-national) context within which it sits is likely to strengthen the submission and hence improve its potential for success.
- 2.7. At the same time, the work on the overarching Transport Strategy offers the Alliance partners the opportunity to start developing a longer term pipeline of potential 'major majors'.
- 2.8. This could be potentially very powerful in helping the Alliance partners make the case for a longer-term approach to investment in infrastructure, and in particular strategic transport schemes:
 - The development of a longer-term pipeline of proposals that support economic activity and enable growth would enable the Alliance to make a case that the Government should allocate additional funds beyond the current 2020/21 timeframe
 - The existence of the pipeline of infrastructure proposals would provide greater clarity to private sector business investors; increased confidence amongst business investors may in turn encourage investment decisions to be taken earlier in the anticipation of infrastructure thereby helping accelerate economic growth
 - In addition, the existence of the pipeline would offer the Alliance partners the opportunity to build upon the commitment of current delivery partners to realise opportunities for innovation in scheme development and delivery – realising the potential set out in the Alliance's original transport proposition to deliver infrastructure faster and more efficiently

3. Next Steps

- 3.1. The Alliance Leaders (Local Transport Authority Leaders and Local Enterprise Partnership Chairmen) have expressed the wish to adopt a co-ordinated approach to the submission of proposals to the 'major majors' fund.
- 3.2. The deadline for the Local Enterprise Partnerships to submit their proposals for the 'Major Majors' fund is 5th July.
- 3.3. Alliance partners are already giving consideration to identifying proposals that might be appropriate for this fund.
- 3.4. It is proposed that the Forum look to use the Transport Officers Group (which is overseeing the development of the overarching Transport Strategy) to collate a list of potential 'major majors' in the first instance.
- 3.5. Having collated the list of potential schemes it is then proposed that the Officers Group prepare an initial programme of investment, and identify those schemes that, from a Strategic Alliance perspective, should be prioritised.
- 3.6. The views of the Strategic Transport Forum would then be sought on both the initial programme of investment and the proposed Alliance priorities, with a view to this forming the basis of a submission to the Government.

4. Joint Proposal with Transport for London

- 4.1. Following an initial discussion between the Alliance Leaders and senior officials from Transport for London, the Leaders have expressed a desire to explore with TfL the potential to develop a joint proposal that would seek to roll out contactless ticketing at scale. The Leaders have expressed the wish for such a proposal to be considered as a candidate for submission to the 'major majors' fund. .

Programme Director

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