

Strategic Transport Forum

25th January 2019

Agenda Item Number 6: Major Road Network and Large Local Majors

Recommendation:

It is recommended that the Forum:

- a) Welcomes the publication of the Government's Major Road Network and Large Local Majors Investment Planning Guidance**
- b) Ask all local partners – local transport authorities, local enterprise partnerships and local planning authorities – to provide an initial indication of prospective proposals for consideration by the 8th February.**
- c) Requests urgent clarification on the status of the 'early entry' proposals submitted for consideration in 2018.**
- d) Agrees the proposed approach to developing the Forum's submission for investment priorities for the Major Road Network and Large Local Major.**

1. Context

- 1.1. In the autumn 2018 Budget, the Government confirmed the amount of funding allocated to the National Roads Fund was £28.8bn (2020 – 2025). Of this, £25.3bn has been allocated to the Strategic Road Network, leaving just £3.5bn for the Major Road Network and Large Local Major schemes across England.
- 1.2. It should be noted that informally it is understood that a proportion of the funding allocated for investment in the Strategic Road Network will be required to deliver projects originally included in the RIS1 programme – for the Heartland the investment in the A428 Black Cat to Caxton Gibbet will fall into this category.
- 1.3. On 18 December 2018, the Department for Transport published its response to the consultation process for the Major Road Network (MRN) and alongside it the Investment Planning Guidance for the first five years of MRN investment. A map of the Major Road Network for England's Economic Heartland is shown in Annex 1.
- 1.4. The Forum has an agreed position in respect of the Major Road Network which identifies a number of key aspects that will ensure a successful approach to the MRN – reproduced as Annex 2.
- 1.5. This Forum's agreed position with regards to the extent of the Major Road Network for the Heartland has been to set out that whilst it supports this map, the work being taken forward in respect of the overarching Transport Strategy is likely to identify the need for changes in it – the outputs from the connectivity studies being one example of how this will work in practice.

2. Reflections on the Guidance

- 2.1. Overall the publication of the DfT Guidance should be welcomed. It clearly sets out the role of the Forum as the Sub-national Transport Body, introduces a programme approach to investing in road infrastructure, and restates the role of Sub-national Transport Bodies in developing and maintaining the Regional Evidence Base. The guidance also identifies the importance of local MPs being engaged in the process.

The Role of Sub national Transport Bodies

- 2.2. It is the Department for Transport's requirement that investment prioritisation for the MRN and Large Local Majors investment programme is undertaken at the regional level, by the Sub-national Transport Bodies.
- 2.3. As the Sub-national Transport Body for the Heartland this Forum has a key role to play in identifying future investment priorities. The Forum is required to submit its investment priorities to Government in July 2019.
- 2.4. On Tuesday 8 January 2019, Robert Courts (Con), the MP for Witney and West Oxfordshire secured an adjournment debate to discuss the A40 West Oxfordshire, which has been identified as an MRN Route. During the Transport Minister Jesse Norman's response to the debate, he said:

"My hon. Friend rightly mentioned the major road network. Oxford does have a section of the A40 that is eligible...in that it fits the criteria that we have set for that. It is now for local partners to gather evidence that demonstrates which improvements are priorities for their respective areas, and to bid for support. This is a major new Government initiative to create a package of support for schemes that are eligible along the future major road network. It therefore provides an opportunity across the country, not just in Oxfordshire."

- 2.5. The Minister's response provides clarity on the approach that Government expects local areas, working via their Sub-national Transport Body, to undertake in developing and shaping the MRN and Large Local Majors process.
- 2.6. Under the terms of the guidance issued by DfT each region is required to put in place and maintain a Regional Evidence Base which, coupled with evidence submitted by scheme promoters (local authority partners), is to be used to inform the regional prioritisation.
- 2.7. England's Economic Heartland, through the Strategic Transport Forum's early sponsorship of its Regional Evidence Base in 2017, is very well placed to manage to this requirement.

Large Local Majors

- 2.8. The Department's guidance announced that, from 2020 onwards, the Department's Large Local Majors programme would be funded via the National Roads Fund.
- 2.9. As the fund is for roads only, the guidance suggests that the approach to investment prioritisation can only consider Large Local Major schemes that are roads-based. The Department will consider its approach to public-transport based Large Local Major schemes as part of its Spending Review considerations.
- 2.10. The inclusion of the Large Local Major schemes alongside proposals for investment in the Major Road Network is to be welcomed, offering as it does the opportunity for the Forum to develop a programme of investment that can be taken forward in a planned way.

The inclusion of Large Local Major schemes within the guidance moves away from bespoke competitive bidding rounds to secure funding for such schemes. This should be seen as a positive change, the switch to a programme approach offering as it does the ability to manage the cost of preparing business cases and avoiding the need for constant updating to reflect the latest bidding round.

Programme Funding

- 2.11. A key priority for the Forum has been the need to realise maximum value of the investment by adopting a 'programme approach', added by the identification of an indicative funding envelope for the Sub-national Transport Body region.



- 2.12. The Forum's position has consistently been that identification of an indicative funding envelope would provide a financial framework within which the Strategic Transport Forum is able to prioritise its investment programme. It would also act as a baseline against which the Forum could look to make the case for additional investment in the MRN (and Large Local Majors) expressed in terms of the additional outcomes that such an investment would deliver.
- 2.13. The Department's guidance eschews the benefit of providing an indicative funding envelope. Instead each STB has been asked to recommend up to ten schemes for funding between April 2020 and March 2025 that are priorities for their area.
- 2.14. The Forum's submission to the Government will be developing in a way that is consistent with the Department's guidance. However, it is proposed that the Forum adopt a more strategic approach to investment planning; one that will allow the Forum to meet DfT's requirements for a submission of prioritised schemes in July 2019 whilst at the same time also reflecting the need to address the past deficit in investment.
- 2.15. Given the timescales involved, it is proposed that the Forum adopts an approach that has two main strands: firstly, a focus on the need to develop and advise on the prioritisation of investment for the first five years of the MRN and Large Local Majors programme; secondly (and concurrently), starting the development of a longer term programme that will set out EEH's long term programme of investment that is required in support of the delivery of planned growth.

DfT Investment Objectives for the MRN and Large Local Majors programme

- 2.16. The Forum's attention is drawn to the five objectives for the MRN and Large Local Majors Programme that have been set out by the DfT in its guidance, these are:
- Reduce congestion** – alleviating local and regional congestion, reducing traffic jams and bottlenecks; supporting roads to cope with demand by adding capacity to reduce congestion and crowding.
 - Support economic growth and rebalancing** - supporting the delivery of the Industrial Strategy.
 - Support housing delivery** - unlocking land for new housing developments and creating new links between communities and workplaces to deepen local labour markets, connect housing developments to the network, provide new routes on city and commuter networks.
 - Support all road users** - recognising the needs of all users, including cyclists, pedestrians and disabled people.
 - Support the Strategic Road Network** – complementing and supporting the existing SRN by creating a more resilient road network in England.
- 2.17. Whilst these provide clarity on the DfT's priorities it is important that the Forum's work in developing its investment programme is also aligned closely with the vision and objectives established for the overarching Transport Strategy. As this Forum has noted on a number of occasions, realising the ambition for the Heartland will not be achievable through a 'business as usual' approach.

The Role of Local MPs

- 2.18. The DfT Guidance makes it clear that in preparing its advice the Forum needs to engage with local MPs and seek their views. Engagement with local MPs will be through the All Party Parliamentary Group, the secretariat of which is the EEH Business Unit
- #### Major Scheme Proposal Development Funding
- 2.19. One issue that the Forum has highlighted as a concern in previous discussions has been the (revenue) cost implications for local transport authorities of developing a major scheme proposal.
- 2.20. In its submission to the autumn 2018 Budget England's Economic Heartland identified the need to establish a Major Scheme Proposal development fund – the proposal suggesting that this could be jointly managed by DfT and Sub-national Transport Bodies.

2.21. Although not included within the scope of the current DfT Guidance, the Forum may wish to consider further how its submission to the DfT in July might set out the case for establishing such a fund. A parallel would be the way in which Highways England commissions work on strategic studies in one RIS period to develop proposals that are then funded for delivery in subsequent RIS periods.

3. Next Steps

- 3.1. The Forum, as the Sub-national Transport Body for the Heartland, is responsible for providing the prioritised list of schemes for consideration by DfT for MRN and Large Local Majors funding. The list is due for submission in July 2019.
- 3.2. Given the short timescale for preparing the Forum's submission to the Government, the Forum is recommended to ask all partners – local transport authorities, local enterprise partnerships and local planning authorities – to provide an initial indication of prospective proposals for consideration by the 8th February.
- 3.3. Whilst this does not preclude other proposals being put forward later in the spring/early summer, an early indication from partners of proposals that they wish to have considered will enable the EEH Business Unit to begin working with partners and the Department on the potential programme of investment.
- 3.4. In seeking this information the Forum should also look for clarification from partners as to where there is investment – on the Major Road Network and/or at a scale that might be considered to be a Large Local Major – planned but funded through other mechanisms – for example HIF, Growth Area Funding, Growth Deals.
- 3.5. An overview of all such funding will help ensure that in developing the MRN and Large Local Major Funding programme moving forward this Forum will be able to ensure its priorities support and complement proposals being taken forward through other mechanisms.

Framework for the First 5-Year Programme (including 'early entry' schemes)

- 3.6. As explored in earlier discussions on the Major Road Network programme, the timescales associated with the first 5- year programme are extremely tight, particularly for schemes that might be seeking funding for delivery in the first 2 years of the 5-year programme.
- 3.7. It is also worth emphasising that a consequence of commitments carried forward on the RIS programme – from RIS1 into RIS2 – it is anticipated that the first MRN 5-year programme will be 'back loaded'.
- 3.8. Early engagement by promoters of schemes seeking early funding in the MRN/Large Local Major programme with the EEH Business Unit is essential in order to ensure that the information required by DfT is going to be available.
- 3.9. In June 2018, this Forum was invited to put forward packages of proposals for consideration as 'early entries' to the MRN investment programme.
- 3.10. The Forum put forward two proposals for consideration by DfT: A414 Corridor Hatfield to Watford Capacity Improvements; and the Aylesbury Eastern Link Roads. Both schemes supported the delivery of significant housing and economic growth contained within existing Local Plans.
- 3.11. In September 2018, five MRN early entry schemes were announced, none in the Heartland area. We have not received any announcement about either of our proposed early entry schemes, and Forum members have pressed DfT on a number of occasions about the need for a clear, transparent decision making process.
- 3.12. In December 2018, DfT officials indicated that it was unlikely that any further MRN early entry schemes would be announced. However this has to be formally confirmed by the Secretary of State.
- 3.13. In the absence of any clarity from the Government, it is proposed that the Forum include consideration of both early entry schemes as part of the development of the submission for July, subject to confirmation by the promoting local transport authorities that they wish their proposal to continue to be considered for funding.

Approach to Prioritisation

- 3.14. The Forum's vision for the overarching Transport Strategy, as agreed in December 2018, is "Connecting our people and places with opportunities and services". This is supported by three strategic priorities of 'economic growth', 'accessibility and inclusion' and 'quality of life'.
- 3.15. In line with the vision and priorities for the Heartland, Forum members will need to ensure that investment priorities for the MRN and Large Local Majors programme not only unlocks economic growth, but also improves the lives of our existing communities and results in 'net gain' for the environment as we work towards a zero carbon transport system by 2050.
- 3.16. In order to develop a robust and proportionate approach to prioritisation, the EEH Business Unit is working with the EEH Transport Officer Group to ensure that it is consistent with and builds on the information required by the DfT. This will ensure that all EEH partners are able to shape and influence the methodology adopted, giving the Strategic Transport Forum assurance that the work has been a collaboration of all partners across the Heartland area.
- 3.17. In addition, the EEH delivery partners (the suppliers of professional services to EEH local authority partners) have committed to work with EEH and the Transport Officer Group to bring their experience and expertise both to the development of the prioritisation approach and the scheme development. Broadening and strengthening EEH's collective skill set by adding this additional expertise will strengthen the robustness of the investment prioritisation approach being developed.

Regional Evidence Base

- 3.18. It is the Department for Transport's expectation that each Sub National Transport Body, will produce a Regional Evidence Base, which will provide a strategic overview of connectivity, and particularly the MRN in a region. This is required to identify key considerations such as housing and industrial developments and the priority opportunities and problems on the network that need to be resolved
- 3.19. England's Economic Heartland, through the existing Regional Database is very well placed to meet this element of the MRN process.
- 3.20. EEH Business Unit will continue to review, and improve the EEH Regional Evidence base, particularly considering the needs for any further data collection to inform the MRN and Large Local Major schemes investment planning process, the EEH Transport Strategy or other ongoing projects under development.

Developing the first 5-Year Programme

- 3.21. The immediate focus for work will be prioritising schemes that are ready for delivery between 2020 and 2025. Schemes in this programme will need to clearly demonstrate their deliverability within this timeframe, and therefore the expectation is that work to develop business cases for these schemes will already be underway.
- 3.22. The EEH Business Unit will work through the Transport Officer Group between March and May to develop a proportionate approach to prioritisation, one that enables the contribution of proposals towards delivery of the overarching Vision and strategic priorities for the Heartland.
- 3.23. The approach to prioritisation will be submitted to the Strategic Transport Forum in May 2019, once the local government elections have completed. At this point, the Forum will be invited to confirm the proposed approach, and to provide a steer on weighting in respect of strategic EEH priorities and/or DfT objectives in developing the proposed submission itself.
- 3.24. Following the Forum's decision on the prioritisation methodology, the EEH Business Unit will complete the assessment of proposed schemes. The Form's meeting on Friday 19th July will consider the outcome of the prioritisation and agree the final list of schemes to be submitted as EEH priorities for the first five year programme of funding for the MRN and Large Local Majors Programme.



Long Term Investment Programme

- 3.25. Concurrent to the work on prioritisation for the first 5-year programme, work will begin with the development of the long term investment programme. In this longer term time frame, the MRN and Large Local Majors programme will form a key part of, but not work in isolation of, a wider investment plan for the Heartland area.
- 3.26. The expected Spending Review during 2019 provides a significant opportunity for the Heartland to begin to set out the case for a commitment by Government to long term investment plan for England's Economic Heartland. Ensuring our Spending Review submission is supported by a clear, evidenced-based investment plan will put EEH in a very strong position going forward.
- 3.27. There are already a number of strands of work that will inform and shape the long term investment plan for EEH, including:
- a) **EEH Transport Strategy** – the overarching Transport Strategy will play a key role in shaping transport priorities to 2050. As the Strategy develops (publication in draft in summer 2019), there will be growing clarity over investment priorities. Following publication in draft, we will undertake a period of wider engagement – which will provide an ideal opportunity for the strategy to undergo a broad phase of external review and validation, including consideration of the user's perspective.
 - b) **Connectivity Studies** – the development of connectivity studies across the Heartland provide the ideal level of robust analysis that will inform future prioritisation of the MRN and Large local majors programme.
 - c) **Performance indicators across the Heartland** –following the Forum's discussion about the Transport Strategy in December 2018, work to define Performance Indicators for the EEH Transport Strategy is currently being commissioned and will play a key role in identifying priority areas for improvement across the Heartland transport network.
 - d) **Evidence Base** – the EEH evidence base – through the Databank and Simulation Tool will continue to develop, strengthening their functionality and thus our ability to draw conclusions from them.

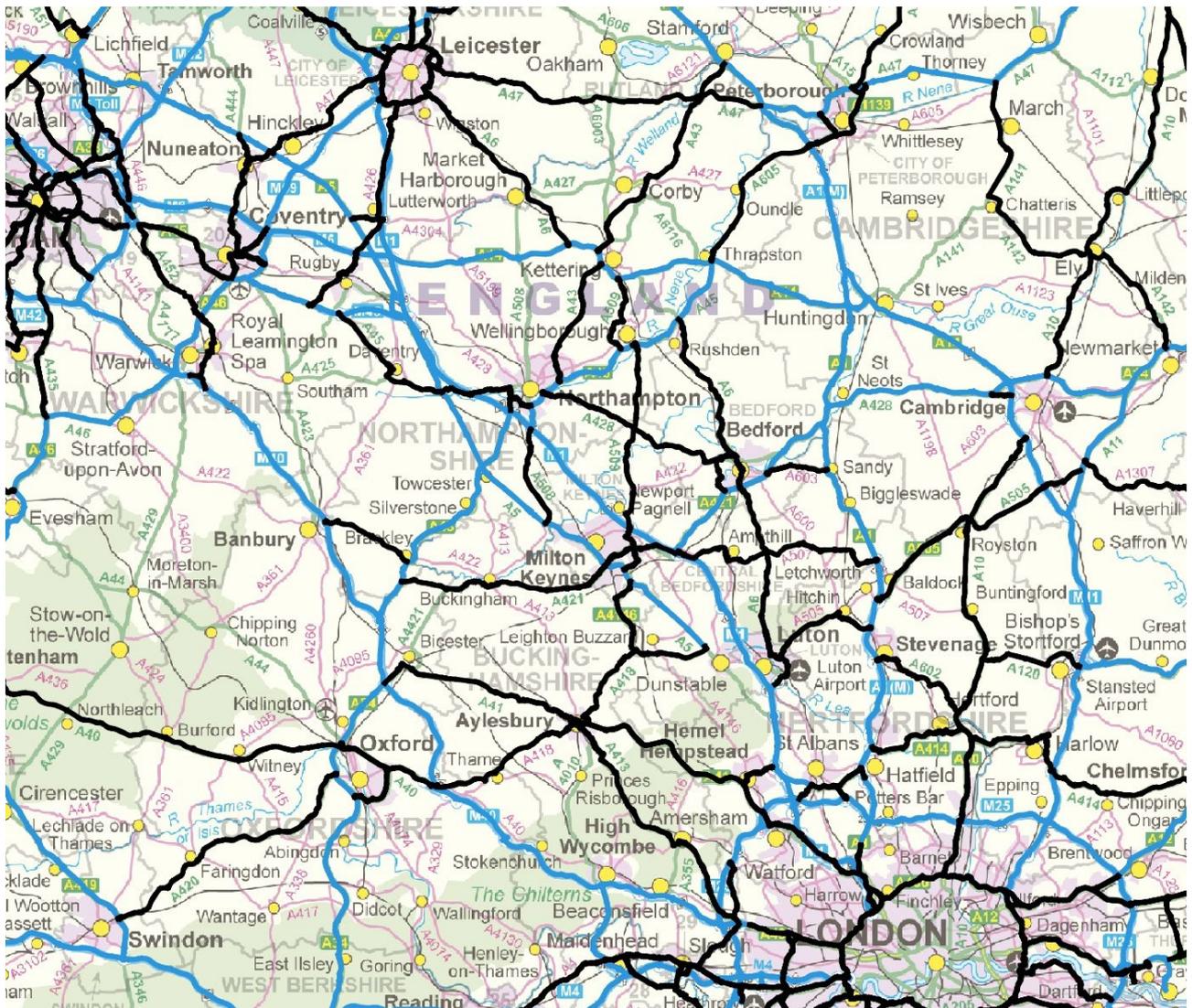
4. Concluding Comments

- 4.1. The Strategic Transport Forum has been consistently clear that, to achieve the ambitions for growth that exist across the Heartland area, we cannot apply a 'business as usual' approach.
- 4.2. This does not diminish the need for significant additional investment – not only to enable the delivery of planned economic and housing growth but also to address some of the deficit in investment. The consequences of the latter are all too obvious – with congestion levels on all modes increasing, reliability decreasing and resilience a growing concern for businesses
- 4.3. The development of the long term investment plan for England's Economic Heartland is therefore a key area of activity for the Forum.
- 4.4. The on-going work associated with the proposal to Government to establish a National Policy Statement for Strategic Infrastructure will provide a long-term commitment on the part of Government and local partners to ensure the investment required to deliver on the shared ambition is realised.
- 4.5. The Forum needs to ensure that it secures a significant proportion of the funding available through the Major Road Network/Large Local Major programme. It also needs to work partners in the private sector to identify other sources of funding to enable the investment required to be delivered.

4.6. It is in that broader context that work to develop an 'investment prospectus' is being taken forward by England's Economic Heartland. Complementing the work of the local enterprise partnerships on productivity. The prospectus will set out investment requirements in terms of the return it will deliver to both the investor (which could be HMT but not exclusively) and the local community.

Naomi Green
Head of Technical Programme
January 2019

Annex1 – MAJOR ROAD NETWORK MAP (as published)



Legend

- Major Road Network
- Strategic Road Network

Annex 2 – England’s Economic Heartland Agreed Position in Respect of the Major Road Network

This Forum has previously identified a number of key aspects which will be used to define its approach to the Major Road Network as a concept:

A single road network – the original Rees Jeffreys Road Fund research proposed that the Major Road Network should be a combination of Highways England’s Strategic Road Network and the more significant local authority owned roads – the argument being that it is the combination of the two that forms the Major Road Network.

However, in the Autumn Budget, the Government confirmed funding for the National Roads Fund of £28.8bn (2020 – 2025). Of this, £25.3bn has been allocated to the Strategic Road Network, leaving just £3.5bn for the Major Road Network and Large Local Major schemes across England. The split of funding between the MRN and Large Local Major schemes and associated annual profiling is still to be determined.

Introducing a distinction between Highways England’s Strategic Road Network and Major Road Network represents a significant departure from the original concept proposed by the Rees Jeffreys Road Fund. This continues to be a concern for the Forum: our users do not differentiate between road ‘types’, and a user-derived system would not differentiate between the SRN, MRN and local roads.

Additionally, separating the roads funding so clearly reduces the chances of designing the right investment solution in a defined corridor as it won’t be exploring solutions across the network as a whole, regardless of who ‘owns’ the road.

Responding to Change - the MRN map cannot remain static. Transformational growth planned for the Heartland region through multi modal solutions, such as East West Rail as well as the Expressway will fundamentally affect travel patterns: functional economic geographies are likely to change as are strategic housing market areas. The Major Road Network must be able to respond to these changes. EEH has been clear that we expect the MRN network to be reviewed on a frequent (5 year) basis.

Programme Approach – the proposal to introduce greater certainty to investment in the Major Road Network is welcomed. However, to realise maximum value of the investment, DfT should adopt a ‘programme approach’ – and agreed package of investment within each STB area. This approach would allow the Strategic Transport Forum to lead the identification of investment priorities based on an overall programme, and informed by wider work on the EEH transport strategy.

Taking the MRN forward as a managed programme – in a similar way to that employed by Highways England in the form of the Road Investment Strategy – would offer significant benefits in terms of: ensuring that investment supported delivery of economic opportunities across the STB geography; allowing better management of funds; and enabling local partners to secure reductions in the overall cost of delivery.