



## **Strategic Transport Leadership Board**

18 February 2022

### **Agenda Item 5 Work Programme**

*Recommendation:*

**It is recommended that the Board:**

- a) Notes progress with delivery of the 2021/22 Business Plan**
- b) Notes the update regarding DfT funding for 2022/23**
- c) Agrees the proposed balance of activity for EEH in the three years ahead, and agrees that this balance should form the basis on which DfT funding is allocated, once confirmed**
- d) Notes the final Business Plan for 2022/23 and beyond will be brought for Board approval in May 2022**
- e) Agrees to support a 2% increase in partner contributions to EEH, in line with increased staff costs**

#### **1. Purpose of report**

This paper seeks the Board's agreement on the programme of activity proposed for EEH to take forward in the three years ahead. The paper is also seeking agreement to a small increase in local contributions to support staff costs.

#### **2. Key points to note**

- 2.1. EEH does not yet know the size of its settlement from the DfT, though is expected to be announced soon.
- 2.2. Over the next three years there will be an increasing focus on scheme development – although the proportion of funds that can be allocated to this depend on the level of DfT grant.
- 2.3. It is proposed that partner contributions to EEH increase by 2%.
- 2.4. Annex 2 sets out the proposed EEH work programme over the next years, based on the level of funding as requested in the Spending Review.

#### **3. Context**

- 3.1. England's Economic Heartland continues to grow and strengthen its contribution as the sub-national transport body for the region.
- 3.2. Three core values are now embedded in the way that EEH operates:

- a) **Collaborative and transparent:** Working with partners across local authorities, government, and private sector to shape and plan the strategic transport infrastructure required to respond to the region’s connectivity and economic growth ambitions.
  - b) **Ambitious and evidence-led:** Making the compelling case for investment in the region, and supporting early stage development of interventions which fit strategically with the needs and ambitions of our places.
  - c) **Operating at scale for the region’s benefit:** improving the region’s effectiveness through building economies of scale; setting the ambition; maximising the opportunity for shared expertise and resources; and creating shared learning and advice platforms.
- 3.3. Going forward and following our recent governance review, EEH is in a good position to plan our forward DfT-funded work programme. Reflecting the clear commitment that DfT has towards STBs, we expect this to be supported by an annual settlement for 2022/23 alongside a funding guideline to 2025. While this doesn’t allow us to plan a full three-year work programme, it does mark a positive shift in the way we can plan forward in the longer term.
- 3.4. In September 2021, the Board agreed its Spending Review submission for the period 2022-2025. Through this process, the Board set out a next stage of development for EEH: moving towards complementing our already successful approach to strategy, policy and evidence to a body that also delivers investment propositions and supports the timely delivery of infrastructure in the region.
- 3.5. The Spending Review submission, alongside the transport strategy, has determined the next areas of focus for EEH as an STB. Funds available from DfT will determine the speed and methodology on which we can take it forward.

#### **4. Progress during current financial year**

- 4.1. EEH business unit is preparing for the financial year-end for 2021/22.
- 4.2. The funding provided by DfT for 2021/22 will be fully committed by the end of the financial year. Progress on the DfT funded programme of work for 2021/22 is set out in annex 1. An end of year financial statement and draft annual report will be presented to the Board for approval on 13 May 2022.
- 4.3. In addition to the core programme, the EEH business unit has been leading work to: develop the Oxford Cambridge connectivity roads study; inform and shape the National Highways route strategies process; complete the region’s passenger rail study (published in July 2021) and progress the region’s ambitions for ubiquitous digital connectivity. These projects, as well as the business unit’s ongoing engagement across the region, government and the sector, ensure the priorities for the Heartland are well understood and are progressing.
- 4.4. DfT has also confirmed an additional £550,000 of in year funding to support projects in active travel, buses, planning for net zero, electric vehicle infrastructure and for our regional centre of excellence for major projects. Work on these projects is now underway.

#### **5. Three Year Business Plan - 2022/23 onwards**

- 5.1. Based on its earlier submission to the 2021 Spending Review, in December 2021 the Strategic Transport Leadership Board considered and agreed the principles for a draft business plan for the three years ahead.
- 5.2. EEH business unit has since been working with the Department for Transport and secured their support for the proposed areas of work. The emerging programme of work, based on an assumption of a settlement in line with EEH’s Spending Review (circa £3.3 million per annum) is set out at annex 2.

- 5.3. As yet, EEH has not received confirmation of a funding settlement for the financial year 2022/23 and beyond. Confirmation is expected imminently, most likely towards the end of February 2022.
- 5.4. Reflecting the clear commitment that DfT has towards STBs, we expect it to provide both an annual settlement for 2022/23 and a funding guideline for future years to 2025. While a funding guideline doesn't allow the business to plan a full three-year work programme, it does mean EEH can start to operate with more certainty, enabling the organisation to scope its aspirations for a longer time frame.
- 5.5. In scoping the next three years, the Board has been clear in its view:
  - a) that ambition for EEH should remain as it has been since its inception in 2015:
 

*"A commitment from leaders across 13 local and combined authorities to harness the power of collaborative working on strategic connectivity issues to deliver their shared ambition – realising the economic potential of the region, while preserving and enhancing its natural and built environment"*
  - b) that there should remain a focus on digital connectivity as well as transport connectivity – to achieve a transition to net zero, the two are inextricably linked. The Board recognises that funding for digital connectivity must be delivered outside of the DfT programme and funding will need to be secured from an alternative source before further substantive work can be commissioned.
  - c) that the regional transport strategy published in February 2021 provides the framework for a business plan that focuses on turning its policies into actions.

## **6. Increasing focus on scheme development**

- 6.1. To date, EEH has focused primarily on building the strategy, policy and evidence base required to identify investment priorities in the region. Over the immediate future, there remains a need to complete this – culminating in a clear investment pipeline and an evidence base to support it. Concurrently, and dependent on funding, EEH can start to move into a new phase of scheme development: bringing forward infrastructure priorities into investable propositions. The core work for these two themes is set out below.

### **a) Strategy, policy and evidence (SPE)**

To continue to develop programmes of work that support delivery of the regional transport strategy and inform the development of the region's investment pipeline.

Priorities for inclusion in the SPE programme would be: a full refresh of the regional evidence base, the continued delivery of connectivity studies; continued planning and support for the creation of a net zero transport system; and the creation and planning for a truly integrated public transport network across the region – capturing ticketing, information provision and first last mile provision.

### **b) Scheme development**

Through the development of early stage strategic business cases for some of the region's key priority schemes, as set out in a revised investment pipeline. An important first step for this work will be for the Board to consider and agree which schemes need to be prioritised first. Recognising the challenges this may bring, the business unit will work with local authorities, growth boards and LEPs to align priorities and to develop a robust yet proportionate prioritisation methodology that can help the Board to agree which schemes need to be developed through to an investment proposition sooner than others.

- 6.2. A core feature of EEH's work programme going forward is the need to transition from purely strategy, policy and evidence (SPE) work into a shared approach of SPE and scheme development work. In the early years of spend, the focus must remain to finish off core SPE activity, for example the connectivity studies, given they form a critical path to shaping the region's investment pipeline.

- 6.3. As the programme moves towards the later years of spending, the investment pipeline will be well developed and well evidenced and the focus of activity can move increasingly into developing investable propositions. The pace of transition to scheme development work will vary according to the allocation provided, not least because there are some key SPE activities that must be delivered.
- 6.4. Using scenarios of what a settlement could look like (see the table below), Board members are encouraged to agree a similar proportion of spend to SPE and scheme development work regardless of the final settlement. Adopting this approach will ensure EEH is driving outcomes and investment while maintain as much focus on its Programme as possible.
- 6.5. As set out, the viable point of transition to scheme development work reduces at lower levels of settlement. This is a result of some core spending needing to be invested (such as on the connectivity studies) in order to get to a final investment pipeline and updated evidence base. A £900,000 settlement, for example, would prevent any scheme development work commencing until 2023/24.

Funding Profile	Proposed allocated of funding to strategy, policy and evidence (SPE)	Proposed allocated of funding to scheme development
EEH Spending Review Submission (c £3.3m per annum)	2022/23 – 80% 2023/24 – 60% 2024/25 – 50%	2022/23 – 20% 2023/24 – 40% 2024/25 – 50%
Funding scenario a (c £1.5m per annum)	2022/23 – 85% 2023/24 – 65% 2024/25 – 25%	2022/23 – 25% 2023/24 – 45% 2024/25 – 65%
Funding scenario b (c £0.9m per annum)	2022/23 – 100% 2023/24 – 60% 2024/25 – 40%	2022/23 – 0% 2023/24 – 30% 2024/25 – 60%

- 6.6. In addition to SPE and scheme development work, there remains an aspiration to create a 'centre of excellence' for major scheme delivery in the region.
- 6.7. A centre of excellence to provide capacity and capability for partner authorities across some of the core areas of major scheme delivery has been an ambition for EEH leaders for some time. As set out in the levelling up white paper, it is also an area of interest for government, which recognises the risks associated with not having the right skills in place at the right time when delivering major infrastructure.
- 6.8. In January 2022, EEH secured in-year funding bid from DfT to support the creation of centre of excellence. The bid was successful and a pilot centre of excellence is now being created.
- 6.9. In any funding settlement scenario for 2022-2025 from DfT (beyond the Spending Review scenario), funding for the Centre of Excellence is expected to come from outside of core programme funding. This approach remains in line with discussions held by the Board in December 2021. Discussions are continuing with DfT to press for additional funding for the Centre of Excellence going forward.

## 7. Local contributions

- 7.1. In addition to programme funding from DfT, it is a requirement of government that STBs receive a financial contribution from each of their constituent member authorities. The contribution provided by member authorities must cover staff costs and other operational costs, such a communications, conferences and travel and subsistence.

- 7.2. In previous years, the contribution from member authorities has not changed year on year, reflecting the continued pressure on local government finances. However, reflecting the maturity of EEH as a body and the move to a three-year business plan, it is expected that constituent members will be asked to support a slight increase in contributions in order to maintain core staffing at its current level.
- 7.3. By investing in EEH, local partners retain the organisation as a locally-led body with flexibility to deliver local priorities. At the same time, EEH's local contributions are able to lever a significant uplift in government programme funding to plan strategic transport investment in the region. The staff within the EEH team are a regional resource that all partners are able to work with and benefit from.
- 7.4. In order to maintain the level of staffing required to deliver our programme and regional transport strategy, Board members are invited to agree an increase in local contributions of 2%, in line with likely staff pay increases.
- 7.5. The proposed rise does not reflect the likely cost increases that EEH will face in the year ahead, due primarily to inflation. While this may present EEH with potential challenges, it is considered a fair proposal to keep the cost increase as low as possible.

## **8. Stakeholder Implications**

- 8.1. The views of a wider stakeholder audience provided a key role in shaping the regional transport strategy. As a result, the three-year business plan will assume views fed into the transport strategy consultation process are captured already.
- 8.2. However, given the significance of the programme to all constituent members, EEH business unit will work with transport officers to agree the programme of work once a settlement is confirmed by DfT.
- 8.3. Approval to the programme will be sought by the Strategic Transport Leadership Board in May 2022.

## **9. Next Steps**

- 9.1. EEH business unit will present a developed three-year business plan to the Board in May 2022.

**Naomi Green**  
**Interim Director**  
**February 2022**

## **Annex 1 - Progress against DfT Programme Spend for 2021/22**

The funding provided by DfT for 2021/22 will be fully committed by the end of the financial year on the activities agreed by the EEH Leaders group in February and May 2021 subject to a change control to include support for East West Rail through by reducing the First Last Mile Connectivity budget. Progress on the DfT funded programme of work for 2021/22 is set out in annex 1 (rounded budget allocations are provided in brackets)

- Regional evidence base and monitoring (£90,000) – the regional evidence base update is underway with additional funds required for new modules of data, including smaller scale housing developments (25+). Provision has been made for further work to scope how the regional evidence base can better shape investment cases going forward. This work will be commissioned by the end of the financial year.
- Prioritising infrastructure investments (£300,000) – the connectivity studies programme is developing at pace. Three studies are now underway, the underpinning land use transport interaction model has been built for the region, and a suite of future scenarios have been developed.
- Planning for net zero (£140,000) – EEH continues to lead the seven STBs in planning for net zero transport. Work underway is creating a place-based solution where tailored data, coupled with specific knowledge of place typologies will provide the EEH region with a tailored pathway to planning for net zero. Funds for this work include secondment costs.
- Alternative Fuels (£44,000) – work underway to deliver a baseline mapping of current infrastructure provision in support of alternative fuels – including electric and hydrogen.
- Freight Mapping data (£28,000) – data has been captured to better understand the movement of freight in the region. The evidence provides an important baseline for better planning freight movement by road and rail in the future.
- Future Rail Service Requirements (£80,000) – advisory costs (internal and secondment) to support the long-term planning of rail investment in the region. Included in this allocation is provision for additional support, currently being commissioned, to take forward the recommendations of the passenger rail study, published in July 2021.
- Future Roads Requirements (£80,000) – work currently being commissioned to support prioritisation of future roads investment, including providing detailed input into RIS3 preparation, informing future MRN investment priorities and ensuring EEH has the right technical support to inform the next phase of the Oxford to Cambridge road study.
- Express Coach and Bus Services (£55,000) – EEH has commissioned work to identify a long-term plan for intra-regional bus services. Work is currently being agreed between EEH and the Bus Operators Association.
- Improving First Last Mile Connectivity (£28,000) – a small scale project currently underway to develop business case models for mobility hubs in different place typologies.
- Support for East West Rail (£55,000) – in December 2021, the EEH Board agreed to proceed with a local and regionally-led piece of work to re-emphasise and update the strategic narrative for delivery of East West Rail in full. Work has been commissioned and is commencing.

## Annex 2 – 2022/23 Forward Work Plan

The Business Plan below sets out the programme of work that would be planned if EEH received its full Spending Review request. A smaller settlement will be required elements of the programme to be reduced or amended.

<b>Programme Area 1 – Programme of work to deliver transport strategy</b>
<b>Priority Activity – Preparing evidence for the Heartland</b>
<i>Context</i>
<p>A core requirement of EEH is to develop and maintain a regional evidence base.</p> <p>Following the successful use of the previous regional evidence base, EEH will refresh our evidence base in 2022 – 2025, particularly reflecting:</p> <ul style="list-style-type: none"><li>- The need for a comprehensive and accurate evidence base that allows EEH to make a more compelling case for investment in the right infrastructure in the right places.</li><li>- The need to provide local authority partners with the most current information in a format that is accessible and user friendly.</li></ul> <p>EEH will also ensure monitoring delivery of the transport strategy is embedded within the evidence base process and reported on an annual basis.</p> <p><b>Priority areas of work by year:</b> <b>2022/23</b></p> <ul style="list-style-type: none"><li>- Development of a refreshed EEH evidence base: to include scoping and design of the most appropriate regional evidence base available</li><li>- Improving the quality of data available in the EEH evidence base</li><li>- Explore options to integrate data collected as part of the preparation for the Arc Spatial framework</li><li>- Work with central government where possible to develop new approaches to data</li><li>- Review of FMLM tools and the scale of granularity of the tool, particularly in the context of improved access to stations and planning for mobility hubs</li></ul> <p><b>2023 – 2025</b></p> <p>Following a significant focus on improving the evidence base in 2022/23, future work on the evidence base will be dependent on funding available. The</p> <ul style="list-style-type: none"><li>- Ongoing refresh of the evidence base</li><li>- Review and capture additional data to support business case development (based on lessons learnt in Year 1)</li><li>- Ensure any appropriate data from the OxCam Road study, route strategies work and connectivity studies are merged into the data bank</li><li>- Explore options for better access/use of rail and freight data.</li></ul>
<b>Priority Activity – Prioritising infrastructure investments</b>
<p>During the period of the business plan, EEH will complete its current programme of connectivity studies. Further work will be required to consider any further connectivity studies beyond the current programme.</p> <p>In addition, the outputs of thematic reports: OxCam Road Study, Passenger Rail Study, Regional Bus Study, Active Travel plan will need to be reviewed and planned into an investment pipeline.</p> <p>The overall output from this package will be a refreshed, prioritised investment pipeline. Alongside the investment pipeline will need to be further work to capture any possible investment models that could enable delivery of the investment as soon as possible.</p> <p><b>Priority areas of work by year:</b> <b>2022/23</b></p>

Completion of two further large-scale connectivity studies:

- Western (north south)
- Southern (east – west)

Work will also continue on modally specific projects. A priority for 2022/23 will be prioritisation and development of an action plan for rail investment.

### **2023 – 2025**

Core priorities:

Continuation of connectivity studies programme, review of its coverage and impact and identification of additional study work required.

While the main investment pipeline and connectivity studies programme is likely to be completed, there remains a requirement in the transport strategy to ensure the region's connectivity infrastructure is being reviewed and prioritised every two years.

## **Priority 2 – Planning for a net zero transport system**

Once a detailed road map to net zero has been developed, work will need to move towards implementation and delivery of its recommendations. EEH will continue to ensure local authorities and DfT are working towards shared outcomes for net zero, and the pathway to it.

Net zero will be one of the largest challenges for the sector over the next 15 years – and solutions cannot be determined without regional support.

### **Priority areas of work by year:**

#### **2022/23**

Core priorities:

- Work with each individual local authority to support/embed a plan for net zero
- Facilitate a community of best practice for EEH local authorities
- Support the roll out of LTPs
- Scope a monitoring and evaluation plan for net zero
- EEH will also work to shape and influence national and regional thinking around behaviour change.
- As a thought leader, EEH will support the discussion about new business models that can deliver revenue investment into place-based decarbonisation solutions.

### **2023 – 2025**

Core priorities:

Continue to work with local authority partners to plan for and monitor net zero transport, including implementation of a regional monitoring and evaluation approach.

EEH will continue to shape and influence thinking around behaviour change as well as the discussion about new business models that can deliver revenue investment into place-based decarbonisation solutions.

## **Priority 3 – Improving strategic connectivity**

EEH will continue its work with National Highways, Network Rail, coach and bus sector, freight and logistics and other partners to make the case and ensure core strategic connectivity priorities are prioritised and delivered in a way that reflects the region's significant contribution to the UK as a whole. This strand of work will oversee and support key projects being funded through national programmes so they are being planned and delivered with due regard to the regional transport strategy.

### **Priority areas of work by year:**

#### **2022/23**

Ensure delivery of East West Rail in full, including the Aylesbury link.

Advocate that the Government's Roads Investment Strategy and 30-year plan for rail are capturing and prioritising the region's priorities.  
Develop a long-term plan for regional bus and coach connectivity.  
Review the recommendations set out in EEH's freight topic paper, particularly considering the Government's national freight strategy.  
Ensure investment in digital connectivity continues to be supported as a core part of the region's transport and connectivity offer (not DfT funded).

### **2023 – 2025**

Core priorities:

Continue to work with National Highways, Great British Railways and the bus, coach, and freight sector to deliver the region's strategic priorities

Implement the region's freight priorities, working with the sector and government to do so.

Ensure investment in digital connectivity continues to be supported as a core part of the region's transport and connectivity offer (not DfT funded).

### **Priority 4 – Connectivity and integration**

EEH will develop region-wide solutions to first mile, last mile planning, building on work completed to date and drawing on the experience of the current and planned connectivity pilots underway. Ticketing and information, as well as better alignment between land use and transport planning will be considered critical success factors for this work strand.

Over the next three years, EEH will actively work towards delivery of an integrated transport system, across the EEH region.

#### **Priority areas of work by year:**

##### **2022/23**

Undertake pathfinder work into the development of mobility hubs.

Develop an initial programme of work following publication of the Future of Rural Transport White Paper.

Explore options for improved ticketing and information provision to achieve pan regional integration.

Lead the national and regional commitment to better alignment between spatial planning, physical connectivity and digital connectivity (tri-planning process).

Pressing for investment in bus services, including supporting the roll out of BSIP ambitions.

##### **2023 – 2025**

Core priorities:

Roll out mobility hub demonstrators.

Explore options for improved ticketing and information provision to achieve pan regional integration.

Lead the national and regional commitment to better alignment between spatial planning, physical connectivity and digital connectivity (tri-planning process).

Commence monitoring of trials and demonstrator projects.

### **Programme Area 2 – Business Case Development**

Through this investment, EEH would look to accelerate the development of two to three priority projects per year, identified through to strategic outline business case.

As EEH reaches its next level of maturity, the focus will increasingly shift towards preparation of strategic business cases for investment.

This investment will ensure the region has a viable package of 'investment-ready' proposals which are financially attractive to government (and potentially other parties) to invest in.

Projects taken forward to strategic outline business case will be core priorities for EEH, identified through existing programmes or the emerging connectivity studies. Projects will be prioritised at officer level with final decisions approved by the Strategic Transport Leadership Board.

The proportion of time and resources allocated to business case development will increase on an incremental basis.

**Programme Area 3 – Centre of Excellence for client-side strategic infrastructure early stage development** (funded outside of core DfT funding)

The Centre of Excellence will be a small dedicated team comprising specialist technical and professional skills upon which all partners can draw to support their development of detailed scheme proposals. Such an arrangement will achieve significant economies of scale, providing value for money for taxpayers. The team will accumulate knowledge and experience that can be retained within the region to the collective benefit of partners.

The team will be funded primarily by pump primed funds through the business plan during this initial three-year period. However, the latter years in the plan will need to begin trialling small levels of charging (via a limited 'top-slice') so the unit can move towards eventually being self-funded.

**Programme Area 4 – Supporting wider infrastructure strategic planning** (funded outside of core DfT funding)

EEH is committed to supporting wider infrastructure strategic planning across the region. While digital connectivity is captured as part of the EEH Business Plan (subject to funding), there are wider infrastructure planning activities that EEH is already supporting with, such as utilities.