



Strategic Transport Leadership Board

29 September 2023

Item 5 - Financial Update and Programme of Work

Recommendations:

It is recommended that the Board:

- a) Notes the mid-year financial position for EEH, including staffing and programme updates**
- b) Agrees the proposed programme of work for 2023/24**
- c) Agrees to provide a steer during the autumn on priorities for EEH's 2024/2025 work programme**
- d) Considers and provides a steer on the autumn advocacy programme for EEH**
- e) Agrees to write to the Secretary of State for Transport to impress the case for investment in the Ely Junction Capacity Enhancements Scheme**

1. Purpose of Report

- 1.1. This report sets out the mid-year work programme for 2023/24, alongside priorities for EEH advocacy on priorities during the autumn.

2. Key points to note

- 2.1. Due to a small gap in funding due to EEH receiving less than originally expected from DfT, EEH has revised its work programme.
- 2.2. The work programme remains ambitious and focussed on priorities with a more immediate impact.
- 2.3. The paper also sets out a number of infrastructure and policy objectives which EEH will focus its advocacy work on over the autumn.
- 2.4. This includes around Ely junction, for which a letter to the rail minister from Board is suggested in draft form.

3. Context

- 3.1. EEH's funding envelope for 2022/23 includes: a bring-forward of funds based on delivery/completions of projects commissioned during the previous financial years; local contributions; DfT grants; and a contribution from the East West Main Line Partnership (reflecting the secretariat and business management functions that EEH provide to the East West Main Line Partnership).

4. Mid-year financial position: income

- 4.1. In May 2023, the Strategic Transport Leadership Board reaffirmed its commitment to EEH as a partnership of local authorities by agreeing to support local contributions in 2023/24 with a small (2%) uplift on the previous year. As a result of the Board decision, the expected income from partner contributions is £449,618. Year to date, £213,772 has been received or committed by partners.
- 4.2. Local contributions play a key role demonstrating partners' commitment and support of EEH. Funding provided is used to cover some staff costs but also, importantly, supports EEH's advocacy and engagement programmes – both of which are important elements of EEH's role in supporting the region, and recognised priorities for the Board. At the same time, it unlocks significant further funding from DfT.
- 4.3. In July, Department for Transport confirmed EEH's settlement for 2023/24 as £1,350,000. This is slightly lower than the indicative figures (£1,426,000). While this is disappointing, it represents a 5% reduction in the level of funding expected. This is a much lower reduction than other STBs have experienced, reflecting the level of maturity that EEH has.

5. Mid-year financial position: operational expenditure

- 5.1. The overall operational spend for EEH was originally budgeted to be £835,365 plus £400,000 in reserves. The bulk of this is staffing costs.
- 5.2. Every EEH team member undertakes a proportion of directly programme-related work. As a result, a proportion of permanent staffing costs are offset against the DfT programme grant.
- 5.3. The operational year end forecast spend is expected to be revised at the end of Q2 to £968,805 plus £400,000 in reserves. The increase in costs reflects the decision to recruit additional fixed-term contract staff in-year, rather than use secondments or consultants. Adopting this approach is vital if we are to continue to grow skills in the public sector and develop staff that will, hopefully, go on to have careers within our own partner authorities. All additional costs for staff will be to deliver programme-based activity and therefore will be funded by DfT programme monies.
- 5.4. The EEH business unit continues to be a small, agile team formed of 12 people, on a mixture of contract types. To date, the permanent headcount sits at eight FTE. Our £400,000 reserve fund remains sufficient to cover any HR liabilities should the business unit cease to exist.

6. Mid-year financial position: 2022/23 work programme (tail)

- 6.1. EEH entered FY2022/23 with an ongoing programme of work, funded by previous financial years. The 'tail' of work totalled £1,194,183. All projects within this programme of work are completed or underway with completion dates from September 2023 to June 2024. See Annex 1 for more detail.
- 6.2. Alongside these, and leading regional working groups and thematic forums, officers have continued to give time to a number of joint projects with other sub-national transport bodies, national transport bodies and partners which are in progress:
 - Alternative Fuels for Freight – with Midlands Connect
 - Electric Vehicles (ELVIS) – with Transport East
 - BSIP Support – with Transport for South East
 - Ox-Cam Roads – with National Highways



- Chairing and secretariat for the Ely Taskforce – a stakeholder group of local authorities, local enterprise partnerships, STBs and other interested parties, who support Network Rail’s proposals for the Ely Area Capacity Enhancement Programme¹.
- Dedicated Driverless Spaces for Integrated Mass Transit – part of project team for collaboration with City Science, Preston EV and Hertfordshire County Council.

In addition, there were a small number of projects in 2022/23 that were put on hold pending further work by EEH or due to announcement slippages from DfT. In each case the projects are being considered alongside the new 2023/24 work programme.

| Project | Commentary | Total allocated and next steps |
|-------------------------------------|---|--|
| First Mile Last Mile | On hold pending agreement on technical options for the platform | £5000 Funding retained for the project – to be used in 2023/24 |
| CAF Readiness | On hold pending clarity from DfT | £10,000 Funding retained for the project – to be used in 2023/24 |
| Public Transport Pricing | On hold pending further work on the bus symposium | £10,000 Funding to be used to support EEH programme of work following the bus symposium |
| Ticketing Readiness/Bus Back Office | On Hold pending further work with DfT and Midlands Connect (Project Coral). | £20,000 Funding to be used to support EEH programme of work following the bus symposium |
| Rural Connectivity | On Hold pending release of DfT’s Future of Rural Strategy. | £10,000 Funding to be used to support EEH programme of work following the bus symposium |
| Innovation Pump Prime | On Hold pending further work by Innovation Sub-Group. | £18,000 Funding to be retained for further pump priming activity in innovation. |

7. DfT Funded Work Programme 2023/24

- 7.1. In July 2023, EEH received confirmation of its 2023/24 funding settlement from Government. Funding has been capped at 2022/23 base funding, representing a 5% reduction on what we were expecting. There is also an expectation that the Centre of Excellence and preparation for a Common Analytical Framework (CAF) should be supported as within our existing Programme.

¹ <https://www.networkrail.co.uk/running-the-railway/our-routes/anglia/improving-the-railway-in-anglia/ely-area-capacity-enhancement/>

- 7.2. While disappointing, the reduction against expected funding is manageable, particularly given the delay in receiving the funding.
- 7.3. Board members are recommended to agree the proposed work programme on the basis that it follows the plan set out in our 2022 – 2025 business plan. However, to manage the reduction, the Board is recommended to support an approach that prioritises projects with more immediate impact. Detailed investment cases (investable propositions) for specific schemes will be prioritised for investment in future years, starting in 2024/25, reflecting both EEH's budget constraints but also limitations in availability of capital funds for new infrastructure projects. Full detail of the proposed work programme and proposed funding is set out in Annex 2.
- 7.4. Despite the shift in funding available, the EEH programme for 2023/24 remains ambitious and designed to have impact. In agreeing to it, the Board can expect that EEH will:
- Plan for how public transport and strategically important roads are better connected, managed and integrated.
 - Develop the matrix of evidence capturing service improvements, small scale interventions and priority capital projects which achieve economic growth and net zero.
 - Move forward, and secure funding for, the introduction of mobility hubs.
 - Plan to support the smooth passage of freight and logistics within and through the region.
 - Work with train operators and Network Rail to see our rail line priorities are realised.
 - Support the rollout of public electric vehicle charging infrastructure.
 - Create a resource upon which all partners can draw to support the development of scheme proposals (scheme development hub).
 - Provide additional resource over the next two years to enable local authorities to produce updated local transport plans (centre of excellence).
 - Amplify a clear regional voice which recognises the realities of Government funding and ensures money is invested in the most important schemes and services for the benefit of the region and UK.
 - Collaborate with partners – bringing sectors, modes and structures together for the benefit of EEH's places.
- 7.5. Going forward, the EEH Board will want to impress on Government the importance of an ambitious settlement for 2024/25, delivered in a timely manner. As a result, a draft work programme for 2024/25 will be presented to the Strategic Transport Leadership Board in December 2023. Board Members and supporting officers are invited to provide their priorities for the 2024/25 programme to EEH during the autumn.

8. Non-DfT Funded Activity

- 8.1. Alongside the EEH Programme, Officer time is being used to support the East West Main Line Partnership and Buckinghamshire Council joint-funded project looking at support for the strategic case for the Aylesbury link. This time is covered by the East West Main Line Partnership's annual contribution to EEH for secretariat and business management functions.

9. Autumn advocacy programme

- 9.1. Board members' comments during the independent review of EEH reinforced the important role it plays in amplifying the region's voice to government regarding its priorities for transport infrastructure, services and policy reform.



- 9.2. EEH regularly meets with ministers, MPs and senior departmental officials to discuss regional priorities, alongside making representations through events, consultation responses and other correspondence.
- 9.3. Our work (through the East West Main Line Partnership) highlighting the business voice for East West Rail is credited with helping to secure government's recommitment to the project.
- 9.4. This year we have led the campaign to secure investment in the Ely capacity improvements, including through our brochure, Keeping Trade on Track, produced in-house by EEH. Parliamentary questions regarding Ely are regularly raised by MPs and Peers, including at the Transport Select Committee. Several letters from the East of England APPG have been submitted to ministers, while the campaign has also received significant media coverage (see Annex 3 for a summary of activities regarding Ely).
- 9.5. Announcements over the summer have made it clear that the government continues to have significant ambitions for the region and maximising the economic opportunities from its world class science and technology clusters.
- 9.6. Over the autumn, EEH will continue to ensure that decision-makers are aware of regional transport priorities which can unlock government's ambitions while improving quality of life for our existing communities. Our messaging will recognise the financial constraints facing the country and present infrastructure and policy asks as an opportunity to secure improvements which unlock significant economic growth opportunities within a realistic budgetary envelope.
- 9.7. It is therefore suggested that EEH (and, where appropriate, in partnership with other sub-national transport bodies) focuses on the below priorities during the three months ahead.
- 9.8. Infrastructure and services:
 - Ely: EEH is working with multiple partners, including Cambridgeshire County Council and the Combined Authority, Port of Felixstowe, Transport East and the East of England APPG to continue to press for investment in Ely. Our messaging will reinforce that Departmental decisions on rail infrastructure can have a major impact on the cutting road congestion. In annex 4 we have suggested a draft letter from the Board to the Secretary of State for Transport which urges government to invest in the scheme.
 - Major Road Network: These schemes are essential for managing localised capacity constraints, and support improvements to public transport and active travel. We ask for clarity on these funding decisions to be accelerated.
 - Oxford-Cambridge roads study: National Highways' Oxford to Cambridge roads study, for which the DfT and EEH were sponsors, is awaiting ministerial sign-off. It is crucial that the Department provides the funding to progress the interventions identified in the study.
 - Varsity Way: We will continue to advance the case for the Varsity Way between Oxford and Cambridge as a flagship active travel project for the region, acting as a catalyst for improving active travel across the Heartland.
- 9.9. Policy changes/ reform:
 - STB role: Sub-national transport bodies play a pivotal role in ensuring investment is joined-up. We will continue to advocate that DfT gives serious consideration to the recommendation of the Transport Select Committee to update National Highways' licence to include a formalised engagement process with STBs. Equally, EEH and other STBs should have a key role in supporting priorities on rail lines (achieved through the Wider South East Rail Partnership).
 - Ticket offices: We will continue to urge train operators to engage more fully (including with this Board) prior to making any decisions on the closure of ticket offices, while also meeting the key principles outlined in our consultation response.
 - Funding: We will continue to reflect the challenges faced by our local authority partners, including:

- Local authorities are finding the requirement for a financial contribution of 15% towards the total cost of MRN schemes extremely challenging in the context of delays to decision making and wider pressures on local government services and finances.
 - Local authority funding pressures and short-term settlements are also impacting maintenance programmes for our region’s road network, impacting all road users and reducing value for taxpayers’ money.
 - Multiple competitive funding pots act as a strain on local authorities’ limited capacities and risk unequal service levels across the region. In addition there is a perception that more rural areas often lose out to major population centres for funding.
 - There is an opportunity to improve funding certainty with five-year settlements for local authorities. This would allow local authorities to maximise opportunities to improve local connectivity. Given the current focus on our region in supporting UK economic growth, the Heartland could act as a trial area for the rollout of five year settlements.
 - An indicative regional funding allocation would support realistic, strategic prioritisation of regional priorities.
- Buses: There were a number of recommendations coming out of the bus symposium (see agenda item six). For example, one strong theme from the symposium was the challenge of Enhanced Partnerships lacking the ‘teeth’ to enact significant improvement, alongside the need for greater funding consistency. With the upcoming refresh of bus service improvement plans, there is an opportunity to make further representations to the government.
 - Net zero: The Prime Minister’s recent announcement recommitted government to achieving net zero by 2050 but delayed the ban on the sale of new petrol and diesel to 2035. EEH will continue to stress the commitment of the region’s leaders to net zero transport emissions; the urgent need for the rollout of EV charging infrastructure and a place-based approach to decarbonisation; and the need to squeeze maximum value out of existing assets, for example through the use of smart technologies.
 - Digital as standard: Using the Bicester-Bletchley section of East West Rail as a model example, we will continue to make the case for all major infrastructure projects including provision for digital infrastructure as standard.
- 9.10. England’s Economic Heartland has recently invited bids for its ‘economic narratives’ project which sets out the unique economic identities, strengths and opportunities of the six connectivity study corridors. These will be used to demonstrate the opportunity for the regional and UK economy of improving connectivity along these corridors. At the time of writing, these bids are due to be assessed, ahead of work being delivered into the first half of 2024.
- 9.11. EEH is currently developing an investment matrix which identifies infrastructure improvements based on their impacts on a number of parameters, for example economic growth, decarbonisation and local connectivity. With limited funding for large scale projects, it is proposed that EEH uses the matrix, in combination with the economic narratives, as the basis for an advocacy brochure which highlights the ‘smaller’ schemes and policy changes which give investors the ‘biggest bang for their buck’. The document may also consider how greater private sector investment can be leveraged/ attracted.

Naomi Green
Managing Director
September 2023

Annex 1

2022/23 Programme - ongoing projects Delivery Update

The table below gives the progress update against the 2022/23 'tail' projects:

| Project | Commentary |
|---|--|
| Swindon-Didcot-Oxford Connectivity Study | Board approval granted in July 2023. This project has completed and is closed. |
| Regional Client-Side Capability (Capacity and Capability for Infrastructure Delivery) | This project is in progress. |
| Decarbonisation Playbook (QCR Tool and additional modelling) | This project is in progress, with an expected completion date in September 2023. |
| Planning Roads for the Future | Board consideration in July 2023. This project has completed and is closed, with next steps funded within FY23/24. |
| Regional Active Travel Study Phase 2 | Board approval granted in June 2023. This project has completed and is closed. |
| Evidence Base 2.0 | This project is in progress, with an expected completion date in September 2023. |
| Transport Strategy Monitoring | This project is extended, with an expected completion date in September 2023. |
| Places of Strategic Importance | This project has completed and is closed. |
| National Travel Survey Study | This project has completed and is closed. |
| Thames Valley Connectivity Study | This project is in progress, with an expected completion date in June 2024. |
| West-East Southern Arc Connectivity Study | This project is in progress, with an expected completion date in June 2024. |
| Rail Line Strategic Objectives | Board approval granted in July 2023. This project has completed and is closed. |
| Freight Action Plan | This project is extended, with an expected completion date in December 2023. |
| Bus Business Case – Economic Case for Regional Bus Investment | This project is in progress, with an expected completion date in September 2023. |
| Mobility Hubs Mapping | This project is extended, with an expected completion date in September 2023. |
| Smart Corridors Phase 1 | This project is in progress, with an expected completion date in September 2023. |
| Infrastructure Financing Models | This project is extended, with an expected completion date in October 2023. |
| Infrastructure Investment Pipeline | This project is in progress, with an expected completion date in March 2024. |

Annex 2

Proposed Work Programme - 2023/2024

The proposed work programme, set out below builds on commitments made in the EEH Business Plan 2022 – 2025. Note - figures have been rounded.

| |
|---|
| Regional Evidence Base |
| <i>Business Plan Commitment</i> |
| <p>A core requirement of EEH is to develop and maintain a regional evidence base.</p> <p>In the period covering the business plan, the regional evidence base will be upgraded to reflect both user feedback and to make the most of advances in the way data is gathered and presented. It will provide an even more powerful tool which allows the region to make a compelling case for investment in the right infrastructure in the right places. EEH will also ensure monitoring progress on implementing the transport strategy is embedded within the new evidence base. The data will continue to be presented in a format that is accessible and user friendly.</p> |
| Priority areas of work for 2023/24: Proposed DfT funding (including programme staff): £130,000 |
| <p>Refreshing and improving evidence base will enable EEH and partners to continue to develop evidence led approach to policy and delivery - offering a consistent, single version of the truth to the regional partners/stakeholders and government. We will do this by:</p> <ul style="list-style-type: none">- Improving the quality of data available in the EEH evidence base, most notably through exploring opportunities to capture a proportionate level of mobile phone data.- Exploring options to integrate data collected through other projects such as the Oxford Cambridge area connectivity: roads study, National Highways route strategies and the EEH connectivity studies.- Exploring options for better access/use of rail and freight data.- Reviewing the FMLM tool and its scale of granularity of the tool, particularly in the context of improved access to stations and planning for mobility hubs- Strengthening our policy intelligence across the programme, for the benefit of EEH and all its partners. |
| Planning for a net zero transport system |
| <i>Business Plan Commitment</i> |
| <p>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.</p> <p>We will continue to provide national leadership on the importance of place-based approaches to net zero. All our places are different, with their own challenges and opportunities: a one size fits all approach will simply not work. Our approach will champion an understanding of a place – its size, location, geography, existing transport network and demographics – and to develop the pathways best suited for its own unique characteristics. By doing so, we will empower our local partners with the information and data they require to create their own pathways for net zero – a truly bottom-up approach which can be owned by local communities. At the same time, we will ensure that regional decisions on policy and investment priorities are consistent with the government’s transport decarbonisation plan and aligned to the regional transport strategy</p> |

Priority areas of work for 2023/24:

Total funding allocated (including programme staff): £160,000

Core priorities:

Continue to work with local authority partners to plan for and monitor net zero transport.

In 2023/24, EEH will incorporate plans to disseminate the Quantified Carbon Reduction (QCR) Tool with local authority partners. Further work on the QCR is likely to be required to: improve place-based classifications, reinforce the tool's functionality and make provision for annualised updates to the tool's baselines.

EEH has also set aside funds to support the roll out of the EV infrastructure tool and ensure its continued success in the long term. An important focus of EEH's planning for net zero work is supporting secondments that ensure EEH has access to high quality advice and networks.

Improving Strategic Connectivity

Business Plan Commitment

Maximising the benefits and opportunities arising from the investment in strategic infrastructure is at the heart of realising our ambition for the region.

By 2025, EEH will complete its current programme of connectivity studies. Their outputs, alongside other work including the passenger rail study, Oxford Cambridge roads study and the regional bus study will form the basis of a regional investment pipeline for subsequent development and delivery.

The regional investment pipeline is a key document in shaping EEH's expectations of the investment programmes of National Highways, Network Rail and eventually Great British Railways. It will also provide our partners with the confidence to allocate resources to develop detailed proposals for implementation

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 for 2023/24:

Total funding allocated (including programme staff): £445,000

Continuation of connectivity studies programme, review of its coverage and impact and identification of additional study work required. In 2023/24, EEH will commission the final connectivity study Luton - North Northamptonshire. The full programme of planned connectivity studies will then be completed. In parallel, the business unit will undertake a review of the coverage and impact of the connectivity studies and identification of any next steps. Work is now also underway (to be completed by December 2023) to better define the region's investment pipeline, building on evidence captured across EEH's study programme.

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.

During 2023/24, EEH business unit will continue to work with National Highways, Great British Railways and the bus, coach, and freight sector to deliver the region's strategic priorities, working with the sector and government to do so. The 2023/24 work programme will develop a rail priorities delivery plan (capturing evidence from previous work) and delivery of a freight action plan.

We will continue to seek support to ensure investment in digital connectivity continues is supported as a core part of the region's transport and connectivity offer (not DfT funded).

Connectivity and integration

Business Plan Commitment

Ensuring that local communities and businesses can access the services and facilities they need as seamlessly as possible is an important contributory factor to managing pressure on the road network. It can both help reduce the length of journeys and encourage greater use of public transport modes.

Over the next three years EEH will work with partners to support an integrated regional transport system which provides a seamless journey from doorstep to destination. This will factor in ticketing and information provision; the first mile, last mile including connectivity to transport hubs; cost of travel; safety and perceptions of safety; reliability; and convenience.

Priority areas of work for 2023/24:

Total funding allocated (including programme staff): £105, 000 (plus a further £40,000 from 2022/23 funding)

Core Priorities:

Mobility hubs and buses will form the basis of activity in this programme of work. We will seek to roll out a programme of mobility hub demonstrators, supported by work to inform the development of business cases for mobility hubs.

In line with the conclusions of the Bus Symposium, we will develop a programme of work to deliver on partners' key priorities for improving bus services.

Innovation

Business Plan Commitment

The region is a leader in the development of the technology associated with the use of electric vehicles and connected autonomous vehicles, technology that has the potential to be a key part of our transport system moving forward. The work underway in and around Oxfordshire, Cambridgeshire and Milton Keynes provides the region with access to experience on which it can build.

EEH will strengthen engagement with regional partners in universities, research facilities and the private sector, to maximise the use of 'living laboratories' as a means of trialling innovation in the region at scale and speed. Working together, proposals will be developed that encourage the scaling up of trials to the regional level at the earliest opportunity.

Priority areas of work for 2023/24:

Total funding allocated (including programme staff): £40,000 (£18,000 pump priming funding from 2022/23 will be rolled into this programme)

Core activity:

Continuing to collaborate on the future of mobility with the region's innovators in business, academia and local government. This includes a pump prime fund to support collaborative bid development on common challenges and priorities. In 2023/24, EEH will create a pan-regional cross-sector innovation network and community of best practice. This will be supported by EEH's existing innovation forum of local authorities.

Following the current work underway to make better use of the region's road network, funding is proposed for further development of options for pan regional smart corridors.

Driving investment opportunities

Business Plan Commitment

During 2022/23, a refreshed investment pipeline will be commissioned to establish the priorities for investment in the region. Current fiscal and political pressures make it inevitable that a combination of public and private sector funding will be required to deliver those priorities, as will a mixture of capital and revenue investment.

As the programme moves towards the later years of spending, the investment pipeline will be well developed and well evidenced. The focus of activity will move increasingly into developing investable propositions.

Priority areas of work for 2023/24:

Total funding allocated (including programme staff): £346,000

Core activity:

Delivery of some key projects, moving them from design to investment and delivery. This includes: i) the next stage of the Varsity Way project. There was support from partners to consider in more depth the alignment of the Varsity Way in the Marston Vale area to more closely links with communities and rail, ii) strategic economic narratives to support core connectivity corridors, iii) mobility hubs, iv) delivering the case for investment in key rail and road projects - to be determined by the Board based on key findings from the Connectivity Studies and investment pipeline and v) pressing the need for urgent investment in schemes ready for development/delivery in RIS3 or CP7.

Centre of Excellence and skills

Business Plan Commitment

This is a new area of work that has been identified by Government as a new priority for STBs. It builds on some of the core themes of the Value Proposition report where partners were keen to see EEH provide greater support, to varying degrees depending on individual authorities, across the strategic transport planning portfolio.

Priority areas of work for 2023/24:

Total funding allocated (including programme staff): £124,000

Core Activity:

Government has identified four areas of work for STBs to develop proposals for a Centre of Excellence. These are around:

- Local Transport Plans
- Quantified Carbon Reduction
- Delivery of Major Infrastructure Projects
- Investment Pipelines

In addition, a universal area of challenge for partners has been skills. EEH will prioritise activity around a long-term plan to address the transport planning skills challenge in the region with an immediate area of focus being on the recruitment, retention and supporting of mid-career stage employees.

Centre of Excellence client-side strategic infrastructure early stage development
(funded outside of core DfT funding) (**£150,000**)

Business Plan Commitment

There has long been an ambition in EEH for a dedicated Capacity and Capability Centre of Excellence. 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.

Through the current £125,000 in-year funding for client-side capabilities, we are developing the first stage of pilots for the centre of excellence. This pilot will undertake a holistic capability gap analysis and lead to the identification of capabilities required at local authority, regional (EEH) and specialist pan-regional levels.

Further funding will build on the initial trial, moving the proposal further forward towards its medium term ambition to becoming a self-funding sustainable centre of excellence for the region going forward.

Continuing the work of the centre of excellence is a priority for EEH. It will be subject to securing additional funding outside of this settlement, something EEH business unit continues to discuss with DfT.

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.

Annex 3

Update on progress with advocacy for the Ely Area Capacity Enhancements

The Ely Area Capacity Enhancements project has long been recognised as a strategic priority. It is a vital for increasing the amount of rail freight travelling across and to all parts of the UK. Enhancement would bring significant decarbonisation and economic growth benefits while also benefitting passenger service frequencies.

As we continue to await the announcement of the rail network enhancements pipeline (RNEP), we thought it would be useful to outline our work so far and provide an update on our plans to further make the case.

Since it became apparent that the scheme was at risk of not receiving the anticipated funding, EEH, working with our partners on the Ely Taskforce which we chair, has led work to highlight Ely's critical importance for the region and the wider UK.

In collaboration with Transport East, EEH produced Keeping Trade on Track, a brochure summarising the compelling reasons for progressing Ely. It showcases the cross-country, cross-sector, and cross-party support it has from industry leaders, businesses, MPs and local authorities.

The brochure was launched in June at the East of England APPG where co-chairs Peter Aldous MP and Daniel Zeichner MP, were joined by Iain Stewart MP, Chair of the Transport Select Committee and Tan Dhesi MP, Labour Shadow Minister for Rail, alongside industry leaders. As EEH managing director Naomi Green told the APPG, by significantly reducing unnecessary trips by HGVs and cutting congestion, Ely is a rail solution to a roads problem and should therefore be treated as such when it comes to appraising and funding the scheme.

Days later at the Transport Committee, Iain Stewart raised the importance of Ely with Rail Minister Huw Merriman. Through Lord Haselhurst, Ely has also been debated in the House of Lords. EEH has supported MPs and peers with the information they require to raise Ely in parliament and with their ministerial colleagues. We have also helped draft correspondence to ministers from MPs and the wider stakeholders in the region.

The work of EEH and its partners to raise the case for Ely has received strong media attention and coverage, including BBC, regional radio and trade press. Most recently an article by a Logistics UK representative was featured in Rail Professional magazine outlining the benefits of the scheme. Additionally, we have continued to highlight its importance on social media and at a number of regional and national conferences which EEH has attended during 2023.

Advocacy to Parliament, both through EEH/ Transport East and other bodies, has continued. On 5 September Eastern Powerhouse met with the Secretary of State for Transport to discuss the need for investment in Ely. This meeting was joined by several Eastern MPs.

As a result of this work, from their recent statements and correspondence, it is clear that Ministers fully understand and indeed appreciate the importance of upgrading Ely. It is equally clear that, in a constrained fiscal environment, it has some difficult decisions regarding what is included in RNEP.

While we await RNEP, the work to progress it continues including our submission to the Transport Committee, ongoing engagement with MPs and continued review through the Ely Taskforce to ensure we are communicating the wide-reaching benefits it offers.



Annex Four

Draft Letter from EEH Board to DfT Ministers

Dear

Sub-national transport bodies were established to advise the government on transport infrastructure priorities for their regions. England's Economic Heartland is unequivocal that upgrading Ely junction to transform capacity on the UK's premier freight corridor from Felixstowe to the Midlands and North is not just a regional priority, but a UK-wide one.

Our support is shared by businesses, freight operators, ports, MPs, national representative groups, local and combined authorities and local enterprise partnerships from across the country. Four of England's seven sub-national transport bodies (alongside Transport for London) feature the need for Ely in their strategies. The level of support for Ely is unprecedented and, we believe, unmatched by any other project.

Delivering Ely clearly aligns with the government's own policy objectives around economic growth, global trade, levelling-up and net zero. Its benefits extend as far afield as Scotland, which exports its world famous salmon, whisky and shortbread through the Port of Felixstowe.

Ely means business. Open up Ely, and you open up a world of opportunity for Global Britain.

As the East of England APPG heard back in the spring, increasing rail freight capacity through Ely is key to allowing logistics companies to maximise the efficiency of their networks and bring down emissions.

By removing 98,000 unnecessary lorry journeys per year and cutting road congestion by 5.6 million hours per year, Ely must be seen as a rail-based solution to maximising capacity on our strategically important roads in the East, Midlands and North. This includes the A14, which will be additionally impacted by HGVs associated with the construction of Sizewell C.

Ely is also crucial to unlocking better passenger services between Ipswich and Peterborough; and King's Lynn and King's Cross. It would unlock the potential for extending East West Rail services east of Cambridge. In the context of the government's ambitions for the Oxford-Cambridge region, and Cambridge 2040, Ely must be seen as essential infrastructure, giving confidence to the region's communities, businesses and political leaders that ambition will be matched by investment on the ground.

On behalf of England's Economic Heartland's Strategic Transport Leadership Board, I implore the government to support the Ely upgrade and end uncertainty over this scheme as soon as possible.

EEH Chair