



Buckinghamshire County Council Select Committee

Transport, Environment and Communities Select Committee

Report to the Transport, Environment and Communities Select Committee

Title:	England's Economic Heartland
Committee date:	Tuesday 19 April 2016
Author:	Martin Tugwell
Contact officer:	Martin Tugwell, Director Growth & Strategy and Strategic Alliance
Cabinet Member sign-off:	Cllr Mark Shaw, Cabinet Member Transport

Purpose of Agenda Item

This report provides a briefing update on the work of England's Economic Heartland Strategic Alliance.

Background

- 1.1. England's Economic Heartland Strategic Alliance was initially the initiative of the Leaders of three County Councils – Buckinghamshire, Oxfordshire and Northamptonshire. The initiative came about through their recognition of the fact that:
 - In terms of strategic infrastructure the issues (and solutions) often extended beyond any one single upper-tier authority
 - Issues that were common to one or more upper-tier authority administrative area could benefit from a co-ordinated response
 - There was a need for stronger integration of investment by Government, its agencies, local authorities, as well as infrastructure and service providers
- 1.2. In this regard the partners shared a common aim: to look beyond current success and through collaborative work look to:
 - a) Raise local productivity to match, and where possible exceed, that of our global competitors



- b) Address identified barriers to the delivery of economic growth
- 1.3. In this way the Strategic Alliance partners initiative offered the opportunity to:
- a) Strip away duplication and remove inefficiencies, enabling faster, more agile decisions
 - b) Simplify funding streams wherever possible so that the time (and cost) taken to develop proposals and get them delivered on the ground is reduced
 - c) Provide greater certainty for private sector investors thereby encouraging them to commit sooner to investments with greater confidence
- 1.4. Originally launched in December 2014, the three County Councils invited the three county-based Local Enterprise Partnerships to become involved in early 2015. This brought Buckinghamshire Thames Valley Local Enterprise Partnership, Oxfordshire Local Enterprise Partnership and Northamptonshire Enterprise Partnership into the discussions.
- 1.5. The initial focus of the partners was on establishing the foundations for an effective working partnership and, through discussion, develop a more detailed proposition that would demonstrate the benefits of collaborative working at a sub-national level.
- 1.6. This led to the preparation of a 'transport proposition' in July 2015. A discussion document, this was submitted to Government in response to their invitation for local partners to submit their proposals for devolution of powers from Government. The proposition, unlike the county based devolution proposals submitted by some authorities in September 2015, was focused on strategic/sub-national issues.
- 1.7. The transport proposition was shared with a number of neighbouring Local Transport Authorities who had expressed some interest in the idea of addressing strategic issues at a sub-national level. This led to invitations being extended to Milton Keynes Council, Bedford Borough Council, Central Bedfordshire Council, Luton Borough Council and Cambridgeshire County Council. In addition an invitation was extended to SEMLEP. These invitations were accepted and the organisations began participating in Strategic Alliance discussions from autumn 2015. Interest has also been expressed by Peterborough City Council – another Local Transport Authority – to become involved in the Strategic Alliance.

2. England's Economic Heartland - Profile

- 2.1. England's Economic Heartland is an economically successful area: with an economy valued at £92.5bn, it is as large as the Welsh economy. It has a population of 3.45m

people, has 175,000 businesses that employ over 1,650,000 people. It is a part of the UK that makes a net contribution to the Exchequer.

- 2.2. Although it is economically successful, a core message from the start has been that that economic success cannot and should not be taken for granted. That there is no guarantee that the inherent advantages of the Heartland area as a place for business to invest will continue to be realised without further investment in infrastructure.
- 2.3. A key message has been that a failure to maintain the area's strategic infrastructure or to invest in additional capacity will put economic success at risk. Indeed a failure to invest is likely to result in a decline of its competitive position globally.
- 2.4. Drawing on the evidence base that underpins the Strategic Economic Plans across the Heartland area, we know that whilst levels of economic productivity are amongst the highest in the country, there remains a gap with the global competitor regions. This evidence base also shows that pressures on strategic transport infrastructure and services will continue to grow: a consequence of economic success.
- 2.5. We also know that tackling the pressures on our strategic transport system will also benefit the UK as a whole. For the strategic transport corridors that criss-cross England's Economic Heartland are the arteries that also support ambitious plans for economic growth in the Midlands, the Northern Powerhouse and beyond.

3. Guiding Principles for the Strategic Alliance

- 3.1. Where the Alliance partners agree that it is appropriate to address an issue on a joint basis, they can agree to establish collaborative working arrangements that could include, but are not limited to:
 - Establishing a joint project team to represent and take forward the partners' shared interests
 - Establishing a 'task and finish' team to develop a common position within an agreed timetable
 - Establishing a 'strategic forum' where there is a need to co-ordinate a series of projects in order to enable a system-wide perspective to be maintained and/or to realise efficiencies in the use of resources available (both financial and human).
- 3.2. A key principle of the Alliance approach is that participation in it:
 - Does not oblige partners to be involved in all activities, projects or proposals

- Does not preclude any partner from working cross-boundary with other organisations or partners.

3.3. In this way the Strategic Alliance offers partners the opportunity to participate in a single conversation on strategic issues at the sub-national level, whilst retaining their responsibilities and accountabilities within their own administrative area.

4. The Strategic Transport Forum

4.1. Building on the original transport proposition, there was early agreement amongst the partners that strategic transport issues were an area in which there was added value to be realised through collaborative working. To that end the Strategic Transport Forum has been set up.

4.2. The Forum is a non-statutory partnership, the purpose of which is to:

- Provide the opportunity to share technical expertise and resources across the partners to assist in the development, assessment and implementation of proposals
- Enable a more efficient and meaningful engagement with the Department for Transport, infrastructure agencies (such as Highways England and Network Rail) and service providers (such as bus and train operating companies)
- Provide the focus for a single conversation on strategic transport and infrastructure related activities.

4.3. In this way the partners are able to:

- Enable rationalisation of standards, practices and policies in order to improve the efficiency and effectiveness of day-to-day operation of the transport system and response to disruption (accidents, emergencies and extreme weather events)
- Build upon locally identified needs to develop and maintain a single overview of strategic transport priorities in liaison with the Local Transport Authorities/Boards and other stakeholders as appropriate
- Manage the resources available to establish project teams as a means of providing leadership required to develop strategic proposals, including engagement with business and the wider community
- Establish joint bidding teams to undertake and commission technical work (including the development of business cases) to secure investment funding to enable the delivery of strategic proposals

- Work with Government and its agencies to co-design nationally delivered transport investment programmes.
- 4.4. Membership of the Strategic Transport Forum covers Oxfordshire, Buckinghamshire, Northamptonshire, Milton Keynes, Bedford, Central Bedfordshire, Luton and Cambridgeshire – 8 Local Transport Authorities (represented by Leader/Cabinet Member), 4 Local Enterprise Partnerships (represented by a Board member), plus officials from the DfT, Highways England, Network Rail, public transport operators, the Transport Systems Catapult and the Civil Engineering Contractors Association
 - 4.5. The first meeting of the Forum took place on 12th February 2016. All meetings of the Forum are held in public.
 - 4.6. The Forum is developing its programme of work on a collaborative basis. Its first priority is to draw on the existing evidence base to develop an overarching transport strategy.
 - 4.7. This will enable the Alliance to ensure the Heartland's strategic priorities are fed into this autumn's discussions on strategic infrastructure priorities for Highways England's road network, and Network Rail's track infrastructure. These discussions will shape the investment priorities of these national organisations for the period between 2019 and 2024. Adopting a strategic/sub-national approach offers the partners the opportunity to increase their influence over these national programmes
 - 4.8. The Forum has a strong emphasis on delivery. Integral to the work of the Forum is developing a collaborative working arrangement with the private sector delivery partners. The delivery partners have already expressed their support for the Strategic Alliance initiative and have set out their commitment to work with the Alliance to develop innovative approaches with the aim of improving cost effectiveness and realising efficiencies in delivery across the Heartland.
 - 4.9. Although the Forum has only recently been established, it is already gaining credibility within Government and national organisations. The Alliance initiative is increasingly referred to alongside initiatives such as Transport for the North and Midlands Connect as examples of sub-national transport initiatives.
 - 4.10. The Forum provides the Alliance partners a means of developing and agreeing responses to consultations of strategic significance, such as that recently undertaken by the DfT and TfL that set out proposals that would affect the specification and management of train franchises that serve London. Many of these franchises also serve the Heartland area and the Alliance response emphasised the need to give equal weight to the Alliance view alongside that of TfL.

5. Sub-national Transport Bodies

- 5.1. Within the Cities and Local Government Devolution Act there is provision for local transport authorities to prepare a proposal to establish a statutory Sub-national Transport Body.
- 5.2. In introducing the provision, the Government set out that such a body 'would be able to develop transport plans for their areas and come together to tackle issues that are currently decided in Whitehall rather than by local councils, relating to, for instance, longer-distance road or rail networks or systems that cross geographical boundaries..'
- 5.3. The key benefit of a statutory Sub-national Transport Body would therefore be the ability for local partners to have a direct influence over decisions that are currently within the control of Government and its agencies.
- 5.4. The Alliance Partners have begun to explore the potential of building on the Strategic Transport Forum to develop a proposition to Government that could lead to the establishment of a statutory Sub-national Transport Body.

6. Strategic Infrastructure

- 6.1. The Alliance partners have begun to consider how the initiative could be used to align investment in the transport system with other infrastructure that is of strategic importance. The partners have identified that strategic infrastructure issues could cover areas such as ports and airports, roads, rail transport, energy, digital and broadband, water supply, waste and flood defences – a remit that mirrors that of the National Infrastructure Commission.
- 6.2. The National Infrastructure Commission forms part of the Government's commitment to 'shake Britain out of its inertia' when it comes to infrastructure planning and delivery.
- 6.3. The Commission is already working in 'shadow' form, providing the Government with advice on a small number of specific challenges. In parallel, work has begun on developing a longer-term view (10-30 years) of the UK's infrastructure requirements.
- 6.4. The Alliance partners have responded to the consultation on the governance, structure and operation of the National Infrastructure Commission. The consultation document made it clear that the Commission will be required to work closely and collaborate with economic regulators (such as ORR) and relevant public bodies. The consultation document goes on to suggest that relevant public bodies may include sub-national groupings and use Transport for the North as an example of the kind of body they have in mind.

- 6.5. In March 2016 the Chancellor of the Exchequer agreed that the Commission would undertake a detailed review and make recommendations as to how to maximise the potential of the Cambridge-Milton Keynes- Oxford corridor as a single, knowledge intensive cluster that competes on a global stage.
- 6.6. The Commission is required to make an initial report to the Chancellor – most likely in autumn 2016, with a final report submitted in autumn 2017. The identification of the Cambridge – Milton Keynes – Oxford corridor in this way is recognition of its significance to the UK economy. The Strategic Alliance provides the opportunity for the partners to engage with the Commission in what will undoubtedly be an important piece of work.

7. Resources

- 7.1. The work on the Strategic Alliance is led by the Programme Director employed on a 0.5FTE basis. The Programme Director's role is now combined with the Director Growth and Strategy at Buckinghamshire County Council (also on a 0.5FTE). The cost of the Programme Director is shared amongst the Alliance partners.
- 7.2. The work of the Strategic Alliance in specific areas – such as on transport – is being undertaken using resources that currently exist across the Strategic Alliance partners. Initiatives such as Transport for the North and Midlands Connect have received some capacity building funding direct from Government once they had been established. The Strategic Alliance partners will look to secure funding from Government as a contribution towards capacity building.
- 7.3. There is explicit provision within the legislative framework for Government to make a grant towards the operational costs of statutory Sub-national Transport Bodies, with an expectation that any such grant would sit alongside local contributions.