



Strategic Transport Leadership Board

1 December 2023

Agenda Item 3: National Transport Policy and Strategy Updates

Recommendation:

It is recommended that the Board

a) Reflect on recent national transport policy and strategy changes and proposals, and their implications for the region, including:

- **Network North**
- **Autumn Statement**
- **King's Speech**
- **Second National Infrastructure Assessment**
- **Ministerial changes in DfT**

b) Comment and agree the letter to the Secretary of State on Ely Junction (annex 1)

c) Agree that EEH co-ordinates responses to the government's autonomous vehicles bill on behalf of local authorities

d) Agrees that EEH welcomes new ministers at DfT and delegates sign-off to the Chair.

1. Key points to note

- 1.1. The Prime Minister's Network North announcement on 4 October 2023 saw future HS2 phases cancelled and the money saved funding other projects including the region's MRN schemes and Ely Junction.
- 1.2. It is recommended that Board writes to Government welcoming the Ely decision and pressing for it to be delivered at pace.
- 1.3. The National Infrastructure Commission's National Infrastructure Assessment contained a number of recommendations that should be welcomed, including greater funding certainty for local authorities, but its focus on the needs of major metropolitan areas was disappointing.
- 1.4. The King's Speech announced bills for the implementation of autonomous vehicles and Great British Railways – it is proposed that EEH leads the region's response on these.
- 1.5. The Department for Transport has new ministers, including Cambridgeshire MP Anthony Browne – EEH will formally write to them welcoming them to their new roles.

2. Context

- 2.1. Following the last meeting of the Board in September, there has been a significant number of policy and infrastructure announcements by the government.

- 2.2. This includes the cancellation of HS2 and subsequent funding for the region's Major road Network schemes and Ely Junction, alongside new bills announced in the King's speech and the National Infrastructure Commission's National Infrastructure Assessment.
- 2.3. More information on these can be found below.

3. Network North

- 3.1. At the Conservative Party Conference in October, Prime Minister Rishi Sunak announced the cancellation of further phases of High Speed 2, with the money saved being reinvested in other schemes in the North (£19.8bn); Midlands (£9.6bn) and other parts of the country (£6.5bn).
- 3.2. As part of this, the Government published Network North, which detailed the schemes which would now benefit from funding. Most importantly for our region, this included a commitment to fully fund the Major Road Network schemes submitted by England's Economic Heartland, and to deliver the Ely Junction rail capacity improvements following powerful advocacy by EEH and its partners in Cambridgeshire and elsewhere.

Major Road Network (MRN)

- 3.3. In July 2019, working with its local authority partners, EEH submitted the region's MRN and large local major (LLM) schemes to the DfT for the first five programme (2020-2025). Since then, we have worked closely with partners to progress these schemes and secure funding.
- 3.4. Within Network North there is a commitment to fully fund the schemes in the current MRN programme.
- 3.5. Significantly, the announcement also removes the requirement for local authorities to contribute 15% towards scheme costs. This follows representations from EEH and its partners regarding the funding challenges for local authorities.
- 3.6. While the removal of the requirement for a local contribution is to be welcomed, there remains a challenge to find the funding required for scheme development from within already constrained local government finances. EEH continues to make representation of these challenges to DfT on behalf of those partners who have raised this with us.
- 3.7. The schemes are still subject to the Government transport assessment guidance (TAG) business case approval process.
- 3.8. MRN schemes in the region announced in Network North include:
 - A509 Isham Bypass
 - A43 Northampton – Kettering phase 3
 - Ely to Cambridge A10 improvement
 - A1139 University Access
 - Vauxhall Way improvements phase 1
 - South East Aylesbury Link Road
 - A10 Corridor Scheme, Broxbourne
 - Aylesbury Eastern Link

Ely Junction

- 3.9. Network North also saw the government commit to upgrading rail capacity at Ely Junction.
- 3.10. This is a major achievement for EEH and partners across the east of England, which have been working hard for some time to secure investment in this rail scheme.



- 3.11. EEH's investment brochure, *Keeping Trade on Track*, was launched in Parliament earlier this year, joined by Transport East, MPs, local and combined authorities, LEPs, infrastructure owners, trade bodies and logistics firms from across the country. The work completed by EEH and partners, most notably the strength and impact of presenting a compelling single voice for the region, has been particularly noted by DfT for its impact in securing commitment to the Ely Junction improvements scheme.
- 3.12. Ely is a transformative scheme which will see an extra six freight trains per day to and from the Port of Felixstowe, removing the need for 98,000 lorries from our roads every year, reducing congestion by 5.6 million hours a year. It will also see a doubling of passenger services on the Ely-King's Lynn and Ipswich-Peterborough routes, helping commuters and leisure travellers alike and unlocking the opportunity for future East West Main services.
- 3.13. On 26 October Rail Minister Huw Merriman told Parliament Ely is 'a superb project, which really delivers for freight and ensures that freight can travel from Felixstowe across the Midlands, rather than having to go south. So I can assure hon. Members that we will be on that project and getting it delivered'.
- 3.14. The Minister's recognition of the need to commence delivery is welcomed. To reinforce the need for pace in delivery, EEH is arranging for a letter from the contributors to the *Keeping Trade on Track* brochure to be sent to the Secretary of State.
- 3.15. We also suggest that the Board formally writes to the Secretary of State, welcoming the decision and encouraging the re-establishment of Network Rail's Ely team at the earliest possible date. This letter is in annex 1 for the Board's approval.

High Speed 2

- 3.16. Since its announcement in 2010, HS2 has been a controversial project for this region. For many communities and businesses in Buckinghamshire, Oxfordshire and Northamptonshire, the impact of HS2, its construction phase but more so its long term impact have been, and continue to be, significant.
- 3.17. As Board members heard at our previous meeting, HS2 does create the potential for released capacity on existing lines, most notably the West Coast Main Line, potentially benefitting Milton Keynes, Northampton, Watford and beyond.
- 3.18. Following the cancellation of future legs, it is likely that those benefits will now be more limited. EEH is working with Network Rail to understand the implications of this decision, and press for the need to preserve what we can of released capacity benefits from the Birmingham leg.
- 3.19. There may also be options for this region to press for some of the connectivity benefits from the HS2 line to finally be made available to us by making it easier for Heartland residents and businesses to access HS2 services. At present, this is not a priority for EEH partners and as such, EEH is keeping a watching brief.

Maintenance

- 3.20. Network North also announced an additional £8.3 billion extra funding for local road resurfacing. The funding is divided across the country as follows:
 - £3.3 billion for the North
 - £2.2 billion for the Midlands
 - £2.8 billion for the rest of England
- 3.21. To increase scrutiny over how it is spent, the Department is introducing new reporting requirements on local authorities.

Integrated funding

- 3.22. Additional funding will be made to transport authorities in the Midlands and the north through a new fund called the Local Integrated Transport Settlement (LITS).



- 3.23. This is understood to be 4/5 year funding settlement for implementation of local transport improvements. It is not a competitive funding scheme and instead would be awarded directly to local authorities (including West and North Northamptonshire in the East Midlands).
- 3.24. For some time EEH has been representing to government the Board's views on the benefits of greater long-term funding certainty for local transport authorities, and conversely, the challenges with competitive funding.
- 3.25. There are significant risks to providing some authorities with long term funding certainty and not others. The impact on the region's ability to respond to our local transport challenges and at the same time plan effectively to make the most of Government investment in project such as East West Rail is seriously compromised by the decision to limit LITS to authorities in the Midlands and the north.
- 3.26. EEH will be pressing with some urgency for similar arrangements will be made for the rest of the country, removing the risk of inconsistencies in transport provision as a result of two different funding regimes.

4. Autumn Statement

- 4.1. On 22 November the Chancellor set out his Autumn Statement.
- 4.2. The Chancellor's speech – and supporting documentation – included welcome reference to progressing East West Rail.
- 4.3. Key takeaways from the Autumn Statement are detailed in annex 2 below. They include government's plans for growth in Cambridge; planning and infrastructure delivery reforms; electric vehicle infrastructure rollout; and a new study by the National Infrastructure Commission into connected and autonomous vehicles.

5. Infrastructure Assessment

- 5.1. On 18 October the National Infrastructure Commission published its 'Second National Infrastructure Assessment', providing government with advice on the UK's long-term infrastructure needs.
- 5.2. The government is expected to respond to the assessment within 12 months. However, speaking at the launch event, NIC chair Sir John Armitt, called for a response before the general election, which he said would allow the government and opposition parties to set out their visions for long-term infrastructure in the UK.
- 5.3. The NIC recommends giving all county and unitary authorities devolved long-term transport budgets. This is something EEH's Board has consistently asked for. It would give local authorities – who know their areas better than anyone else - the certainty to plan in a genuinely strategic way – supported by sub-national transport bodies such as EEH.
- 5.4. The NIC recommends a 20 per cent increase on current spending levels for transport infrastructure and says sub-national transport bodies have a key role in identifying opportunities for transport to support regional and local economic growth.
- 5.5. The report also recognises the leading role that local authorities have in the roll-out of electric vehicle charging infrastructure. EEH is already helping its partners plan public charging points, but as the NIC points out, to achieve the increase required, local authorities must be sufficiently equipped and supported.
- 5.6. Much of the report is focused on the needs of large metropolitan areas – and particularly four of the UK's biggest cities - Birmingham, Bristol, Leeds and Manchester.
- 5.7. Given this is a 'national' infrastructure assessment, this focus is disappointing. It ignores the very real challenge for swathes of the country – including the EEH region – where growing cities, towns and economic areas such as the Silverstone cluster pack a punch way above their size.



- 5.8. Identifying and funding solutions to improve connectivity in these places is vital, whether that be ensuring we maximise opportunities enabled by East West Rail, improve bus services, ensure our strategic roads are fit for purpose or develop mass transit systems in places such as Milton Keynes, Hertfordshire and Cambridgeshire.
- 5.9. Andrew Jones, Senior Policy Advisor from the National Infrastructure Commission is joining the Board to present the conclusion and recommendations made in the second NIA. In addition, a full briefing on the NIA is available in annex 3 (separate).

6. King's Speech

- 6.1. On 7 November, the King formally addressed the State Opening of Parliament starting a new session. The King's Speech included 21 bills for the new parliamentary session with announcements on energy security, crime, transport, education, trade and investment.
- 6.2. Key transport initiatives were focused on autonomous vehicles and Great British Railways.

Automated Vehicles Bill

- 6.3. The government says the proposed legislation would be one of the world's most comprehensive legal frameworks for self-driving vehicles, providing the certainty and confidence that the private sector needs to unlock research, innovation, and investment across the whole of the UK.
- 6.4. The Automated Vehicles Bill will set a 'rigorous safety framework for self-driving vehicles, with safety at its core' and ensure clear legal liability and protection for the consumer.
- 6.5. It also includes plans to digitalise Traffic Regulation Orders (TROs). The government said: "Local authorities will be required to send the legal orders they make (for example, to set speed limits, close roads and designate parking bays) to a central publication platform. This data will be used to create a digital map of the road network to support the safe operation of self-driving vehicles. This will also help make parking easier for all drivers, providing better information like the location and availability of parking spaces, as outlined in the Plan for Drivers."
- 6.6. Our region is at the forefront of the future of mobility sector, with many of our counties, cities and towns hosting autonomous vehicle trials.
- 6.7. With the Board's approval, England's Economic Heartland will co-ordinate any representations regarding the bill on behalf of our local authority partners.
- 6.8. EEH will continue to work with local authorities, DfT, universities and the private sector to ensure opportunities from autonomous vehicles are realised for the benefit of our region.

Draft Rail Reform Bill

- 6.9. The King's Speech included plans for a draft rail reform bill which would lead to the establishment of Great British Railways.
- 6.10. The draft legislation is expected in the spring. EEH will monitor the nature of the pre legislative scrutiny and will ensure we provide briefing to MPs and Lords accordingly.
- 6.11. EEH, working with our neighbouring sub-national transport bodies (STBs) Transport East and Transport for the South East, and Transport for London (TfL), has created a Wider South East Rail Partnership which will enable closer working with Great British Railways and Department for Transport.
- 6.12. Creating a Wider South East Rail Partnership will ensure the agreed transport strategies for regional connectivity are embedded in GBR's approach. The partnership can work alongside GBR to take a strategic planning approach to facilitating economic growth, enabling social benefits, and increasing connectivity.

7. Ministers

- 7.1. Three new ministers have been appointed to the Department for Transport following the recent reshuffle.



- 7.2. MP for South Cambridgeshire, Anthony Browne MP, has been appointed as Parliamentary Under Secretary of State with responsibilities including transport decarbonisation, air quality, skills, aviation, science and research and technology.
- 7.3. Guy Opperman MP has been appointed as Parliamentary Under Secretary of State with responsibilities including local transport, roads, future freight and active travel.
- 7.4. Lord Davies of Gower has been given responsibility for maritime, international transport and union connectivity.
- 7.5. EEH will write to the new ministers welcoming them to their roles. We will also write to Mr Opperman highlighting our work on bus in the region. Subject to the Board's agreement, these will be signed-off by the Chair.

Naomi Green
EEH Managing Director
November 2023

Annex 1 – Draft Ely letter

Dear Secretary of State

We were delighted to see the Government's acknowledgment of the significant role that rail capacity improvements at Ely junction will play and its commitment to funding the scheme as part of the Network North announcements, published on 4 October.

As the Minister of State, Huw Merriman MP said on 26 October, Ely is a 'superb project, which really delivers for freight and ensures that freight can travel from Felixstowe across the Midlands, rather than having to go south'.

Recognised as a key scheme to improve freight flows between Felixstowe and the Midlands within our Transport Strategy, we have been pressing for delivery of Ely enhancements for some time, recently setting out the pressing case in our 'Keeping Trade on Track' document, published in partnership with Transport East. We now urge you to prioritise its delivery for the following reasons:

- Ely is a 'quick win' with planning at an advanced stage and its benefits could start to be delivered within the next six years – including allowing 2,900 extra freight services per year, removing 100,000 lorries from our roads per year, and reducing congestion by 5.6 million hours per year.
- In doing so, Ely will make a significant contribution to the government's rail freight growth target and net zero, and enable logistics companies to embed new models which utilise rail freight for longer distance journeys to the depot and battery-powered goods vehicles for shorter distance journeys from the depot.
- Delivery of Ely by the early 2030s would support construction of the Sizewell C power station in Suffolk by providing greater capacity for delivery of materials via rail.
- It will enable Freeport East to support the new trade deals being struck with overseas countries and help drive innovation.
- Ely will enable improved frequencies of passenger services between economic hubs in the East of England, while unlocking the potential for passenger service integration when East West Rail connects to Cambridge in the early 2030s.
- Finally, we believe that the scheme at Ely should be a catalyst to plan for further complementary measures on the Felixstowe to Midlands and North corridor, recognising its key role in moving the country's freight.

For these reasons we urge you to provide funding to Network Rail to commit the resources needed to progress to the next stages of planning at the earliest opportunity. We would also welcome a direct update from Network Rail on next steps in due course.

As the sub-national transport body for the area, we will do all we can to support government and its agencies to progress Ely at pace, so that its benefits can be realised for the UK as soon as possible.



Annex 2 – Autumn Statement key points

- *Cambridge:* The government's plans to 'accelerate the delivery of new high quality housing in Cambridge' alongside tackling water scarcity.
- *Infrastructure delivery:* The government's response to the National Infrastructure Commission's study on infrastructure planning reforms, with measures to return consent times to two and a half years on average. Government will consult on amending the National Planning Policy Framework to ensure that the planning system prioritises the rollout of electric vehicle charging infrastructure, including EV charging hubs.
- *Autonomous vehicles:* The government is commissioning the National Infrastructure Commission to undertake a study on how connected and autonomous vehicles and mobility can deliver growth.
- *Connected and Automated Mobility funding* – The government has committed to extend the Connected and Automated Mobility R&D programme with up to £150 million of funding between 2025-26 and 2029-30, helping the UK secure first-mover advantage in the deployment of self-driving vehicles and services.
- *Planning:* The Department for Levelling Up, Housing and Communities will bring forward plans for planning authorities to offer guaranteed accelerated decision dates for major developments in exchange for a fee, ensuring refunds are given where deadlines are not met.
- *Industrial sectors:* Funding of £4.5 billion will be made available starting in 2025-26 lasting for five years for eight manufacturing sub-sectors: automotive (particularly zero emission vehicles, their batteries and supply chains), aerospace, life sciences, and clean energy (carbon capture, utilisation and storage, electricity networks, hydrogen, nuclear and offshore wind).
- *Devolution:* Extension of Level 2 devolution deals – The Department for Levelling Up, Housing and Communities intends to offer Level 2 devolution powers to councils that cover a functional economic or whole county area, and meet relevant criteria as set out in the Levelling Up White Paper, where there is local consent to such arrangements.
- *Level 4 framework* – The government has published a new framework for extending deeper devolution to existing Level 3 Mayoral Combined Authorities (MCAs). The Level 4 framework provides new powers for MCAs to draw down on, based on the trailblazer deals negotiated with the Greater Manchester and West Midlands Combined Authorities, including powers over adult skills, local transport and housing.
- *Fund Simplification Implementation:* The recently announced funding simplification doctrine will come into force from January 2024. This is an important step to simplifying the local government funding landscape, giving councils greater flexibility and freeing up resources for delivery.