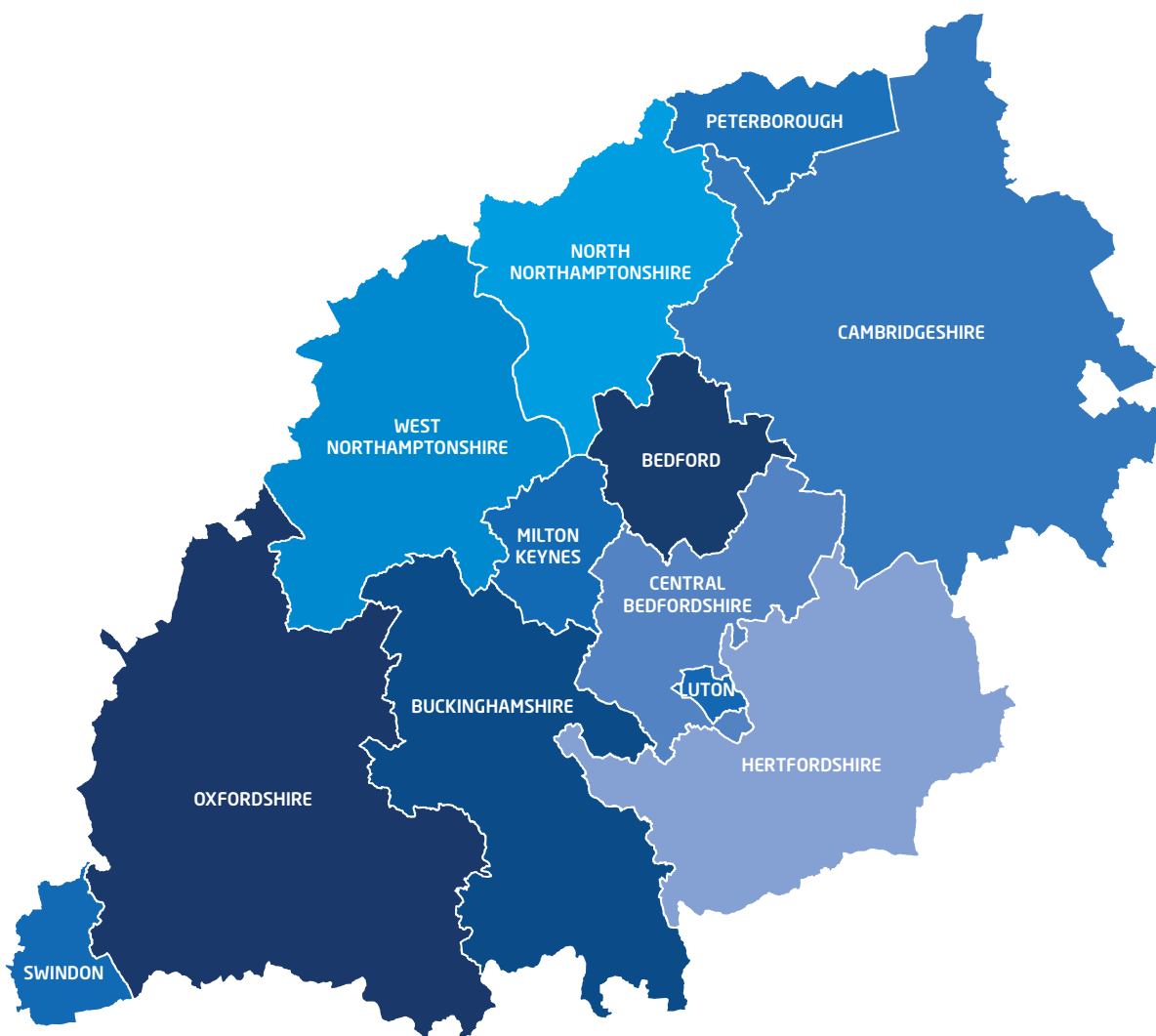


Spending Review 2021





AT A GLANCE: OUR SPENDING REVIEW ASKS

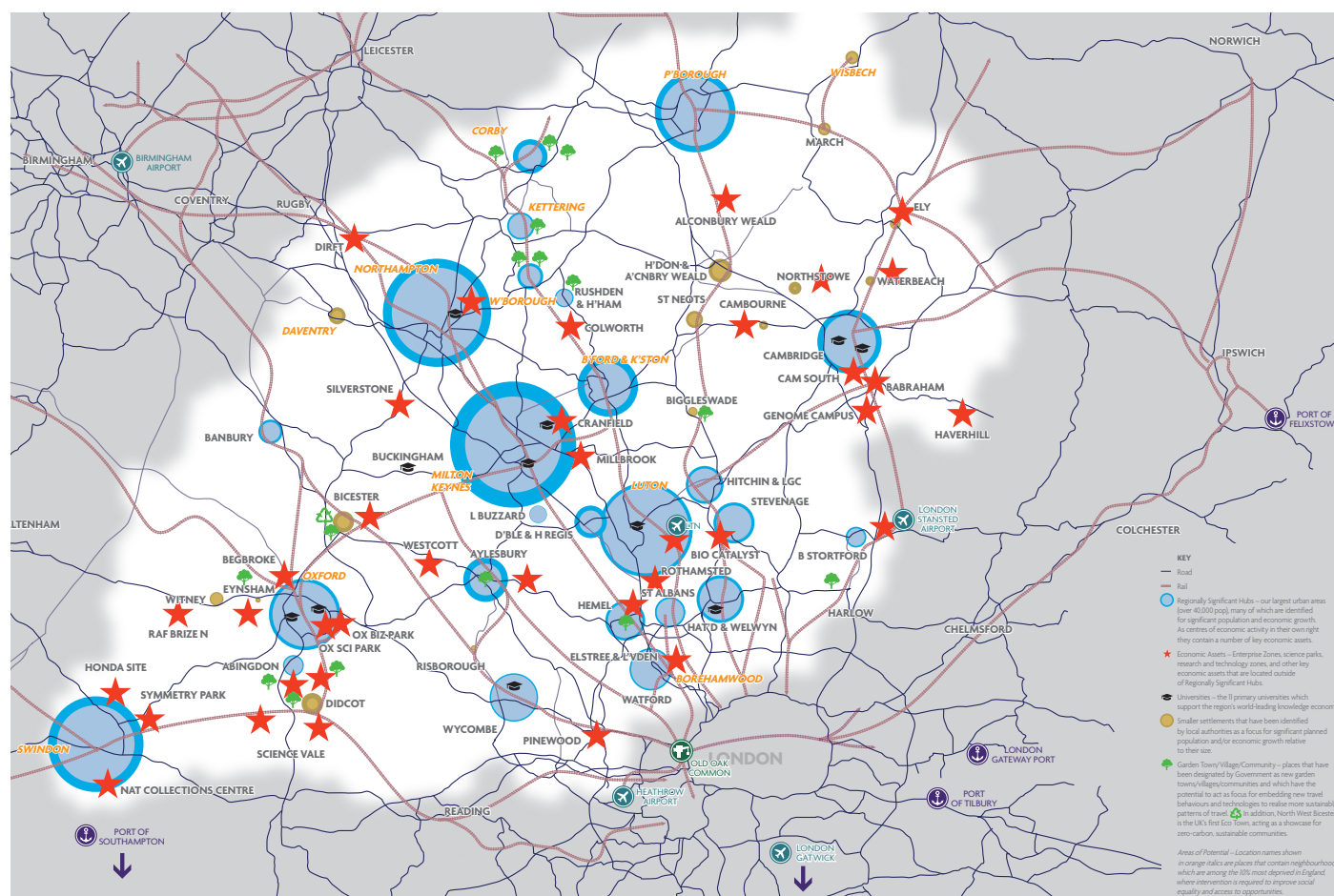
Delivery of immediate priorities by 2025	Commitments to deliver key infrastructure required to enable planned growth
Scheme development fund	£10 million revenue funding over three years to accelerate the development of known priorities
Developing technical capacity and capability for infrastructure delivery	£3 million revenue funding over three years to create a regional centre of excellence
Sub-national transport body core funding	£5 million revenue funding over three years to continue EEH's work to deliver a transport system which supports the economy while delivering net zero

DELIVERING THE CONNECTIVITY TO UNLOCK A NATIONAL ECONOMIC PRIORITY, IN A WAY THAT DOESN'T COST THE EARTH

England's Economic Heartland's Spending Review submission seeks the delivery of infrastructure solutions where there are known issues on the transport network, while also ensuring long-term planning of connectivity in the region in a way that supports sustainable economic growth while decarbonising the transport system.

The Heartland is a net contributor to the Exchequer: investment in infrastructure and connectivity in this area levers benefits that stretch far beyond our region's boundaries. The region's historic landscape, universities, and strengths in innovation make it a global operator, representing Britain's interests and growth opportunities on a national scale.

The region includes the entirety of the Oxford-Cambridge Arc, a national government priority. In July 2021, the government stated that the Oxford – Cambridge Arc had the 'potential to be one of the most prosperous, innovative and sustainable economic areas in the world, and can make a major contribution to national economic recovery as we seek to build back better from the impact of COVID-19'. However, as acknowledged by the government, challenges with the region's transport system is 'holding back' its potential.



The Heartland is an economic success story, home to world class, knowledge intensive industries. It is also undergoing significant planned growth. This map shows places of strategic importance identified for our transport strategy, including the relative size and planned population growth of settlements (map for illustrative purposes only).

This Spending Review submission sets out the investment opportunities that are required to unlock the region's potential, as a major contributor to national economic recovery, while also ensuring the area remains an exemplar for the UK's world-leading decarbonisation plans.

The submission draws on the regional transport strategy 'Connecting People, Transforming Journeys', published in February 2021. The strategy is a vision-led, evidence-based plan agreed by our partners as the framework for investing and planning the region's transport system over the next 30 years.

The development of the transport strategy over a two-year period emphasised the significance that local people, as well as EEH's partners, place on delivering net zero. In response to this, the transport strategy has an ambition to achieve net-zero transport carbon emissions by 2040.

The strategy is underpinned by a comprehensive evidence base that includes a detailed understanding of the region's transport system and economy. The evidence base has highlighted how the implications of planned growth have not been addressed by the responding levels of investment in infrastructure. It is this lack of investment that is stopping the region from achieving its economic ambitions.

FROM CONCEPTION TO CONSTRUCTION: OUR APPROACH TO INVESTMENT

Our Spending Review submission takes a four-pronged approach to securing the necessary investment in the Heartland's transport infrastructure:

1. Securing the capital funding required to support partners commence the construction and/or delivery of known priorities before 2025.
2. Securing the revenue funding required to develop schemes identified in the investment pipeline through the planning and development phase to make them 'oven ready'.
3. Securing the funding to increase regional capacity and capability in support of partners developing and delivering investment priorities.
4. Ensuring the government's commitment to sub-national transport bodies is appropriately reflected by a long-term commitment to their resourcing.

DELIVERY OF IMMEDIATE PRIORITIES BY 2025

COMMITMENTS ON KEY INFRASTRUCTURE IS REQUIRED FOR ENABLING DELIVERY OF PLANNED GROWTH

The regional transport strategy's investment pipeline identifies key infrastructure priorities for the region.

A significant number of investment priorities are required to be urgently delivered to enable the delivery of planned growth as set in out in current local plans.

Delivery of immediate infrastructure priorities by 2025 also achieves the triple-impact of:

- infrastructure costs being managed and avoidable costs (such as those incurred as a result of inflation and/or duplication of work) are kept to a minimum
- economic benefits arising from the delivery of required investment being realised sooner, to the benefit of the Heartland and the UK economy as a whole
- infrastructure delivery enabling progress to be made on realising the potential to achieve change in travel patterns that support the requirement to make real progress towards net zero carbon emissions.

The following key infrastructure projects require a commitment for capital funding in the Spending Review, with delivery commencing no later than 2025.

 **East West Rail:** East West Rail provides the overriding transformational opportunity for our region. Its delivery in full is critical for the future of the Oxford-Cambridge Arc, unlocking economic growth while being the catalyst for improvements to the region's strategic public transport networks and the decarbonisation of the transport system.


Though each section of East West Rail brings with it benefits to the communities it serves, the transformational benefit will only to be realised through the delivery of East West Rail in full.


Construction work is now underway on the section between Oxford and Bletchley/ Milton Keynes. It is essential that momentum is maintained on the work to connect the line to Aylesbury, Bedford and Cambridge, and that these sections are delivered as soon as possible: local plans have been prepared on the basis that East West Rail will be delivered to timescales.


This means the Spending Review must include commitments for capital funding to deliver:


- Milton Keynes-Aylesbury section: this link is an integral part of East West Rail and commitment to its delivery is a key priority for the region, connecting two areas of major planned growth. It will also unlock opportunities for strategic north-south journeys (Northampton-Milton Keynes-Aylesbury-Wycombe-Old Oak Common).
- Bletchley-Bedford section: this involves improvements to the Marston Vale Line, which was recently subject to a consultation by the East West Railway Company.
- Electrification: East West Rail should be opened as an electrified railway to avoid the additional costs inevitably incurred in retrofitting an operational railway.
- Digital spine: EEH has secured funding to enable the Bicester-Bletchley section of East West Rail to be built as a digital spine, providing high quality broadband and 5G access to nearby rural communities. Providing this during construction is a fraction of the overall cost of East West Rail and 90% cheaper than retro-fitting. Future sections of East West Rail should be delivered as digital spines as standard.


— **Felixstowe to Nuneaton rail corridor:** finalising the business case in support of both proposals to address bottlenecks at Ely and Haughley Junction, identified as critical to enabling this corridor to play its strategic role in connecting global deep-sea shipping services operating out of Felixstowe with the rest of the UK.


 **Western Rail Link to Heathrow:** improved connectivity to Heathrow from the west has long been identified as a regional priority, benefiting businesses and residents in Oxfordshire and Swindon, as well as communities further west. The scheme has been developed to development consent order stage.


 **Cambridge South Station:** prioritising delivery once the Transport and Works Act Order has been granted.

 **Oxford Station (additional capacity):** this project is central to not only realising the potential of East West Rail, but more widely the ambitions for improving public transport serving Oxford and surrounding areas, as well as enabling inter-regional movements.

 **Crossrail 2:** progress on this scheme was put on hold as part of the autumn 2020 announcements, however, the strategic importance of this scheme to the Heartland is significant.

 **Mass transit systems:** securing the funding required to accelerate the development of three transformational projects to plan for mass public transport in Milton Keynes, Cambridgeshire and Peterborough and Hertfordshire (Hertfordshire Essex Rapid Transit – HERT).

 **Oxford-Cambridge cycleway:** additional funding (both revenue and capital) to enable the development of a green spine through the region, and an associated network to support this.

 **EEH Major Road Network programme (2020-2025):** submitted to government in summer 2019, delivery of the programme of schemes could be brought forward if decision making within Whitehall was accelerated. However, that would have to be complemented by government making available additional revenue funding to enable the detailed development of individual schemes to be accelerated (see below).

Digitally enabled landscape (BEIS/DCMS funded): establishing a region-wide programme through which it will be possible to deliver the ambition of ‘always connected’ across the region. Initial focus on building the public/private sector partnership that is necessary to deliver the infrastructure – particularly mobile – that is required to enable service transformation at scale across policy areas.

IMMEDIATE PRIORITIES/SCHEME DEVELOPMENT FUND

The scheme development fund will be used to develop priorities identified through our connectivity studies.



Our Spending Review by place – showing ‘immediate priorities’ (see text above) and ‘priorities for acceleration’ in the scheme development fund (see text below).


SCHEME DEVELOPMENT FUND


£10 MILLION REVENUE FUNDING OVER THREE YEARS TO ACCELERATE THE DEVELOPMENT OF KNOWN PRIORITIES

Funding is required to cover the cost of planning and developing the detail of infrastructure priorities identified in our transport strategy. 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.


The fund would be managed by EEH on behalf of the region. 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, giving DfT or its agencies much greater sense of how investable projects are.


Priorities for acceleration through this process include:

 **Milton Keynes to East Midlands:** commissioning a strategic outline business case that will determine a long-term solution to improve connectivity between Northampton and Market Harborough (as part of a wider Milton Keynes to East Midlands project).

 **Connectivity in northern Cambridgeshire:** supporting the strategic outline business case in support of the detailed proposal for the improvement of rail services in northern Cambridgeshire, including connections through to Wisbech.

 **Wixams Station:** prioritising the development of detailed proposals for the station.

 **London Road Level Crossing, Bicester:** identifying a long-term solution to this crossing is a key requirement to enabling the full potential of East West Rail to be realised: funding required to develop the business case that supports the solution with a view to enabling delivery in Control Period 7 (linked with delivery of East West Rail).

 **Bedford Midland Station:** commissioning work to determine a long-term solution to realise the potential of Bedford Midland Station that arises from the investment in East West Rail: funding required to develop the business case that support the solution with a view to enabling delivery in Control Period 7 (linked with delivery of East West Rail).

— **A1 corridor:** identifying and taking forward a long-term solution for this corridor in support of planned growth and to inform development of future Local Plans.

Delivering priorities identified through the connectivity studies: the connectivity studies programme provides the framework for identifying schemes required to deliver the priorities of the transport strategy. This is likely to be a package of measures, including improvements to public transport and active travel. Once identified, there will be a need to act quickly on securing investment for them.

Delivering priorities identified through the 'Oxford-Cambridge Arc connectivity - roads study': The study by National Highways, commissioned by co-project sponsors DfT and EEH, will identify the investment required to ensure that the strategically important road network across the region is able to support planned housing and economic growth in a decarbonised transport system. This study will need to be complemented by ensuring delivery of those strategic road priorities already identified for investment in EEH's transport strategy, including A45 Thrapston to Stanwick; A47 Peterborough to Wisbech; A5 Towcester relief road; and junction 25 of the M25.

DEVELOPING TECHNICAL CAPACITY AND CAPABILITY FOR INFRASTRUCTURE DELIVERY

£3 MILLION REVENUE FUNDING OVER THREE YEARS TO CREATE A REGIONAL CENTRE OF EXCELLENCE FOR INFRASTRUCTURE DELIVERY

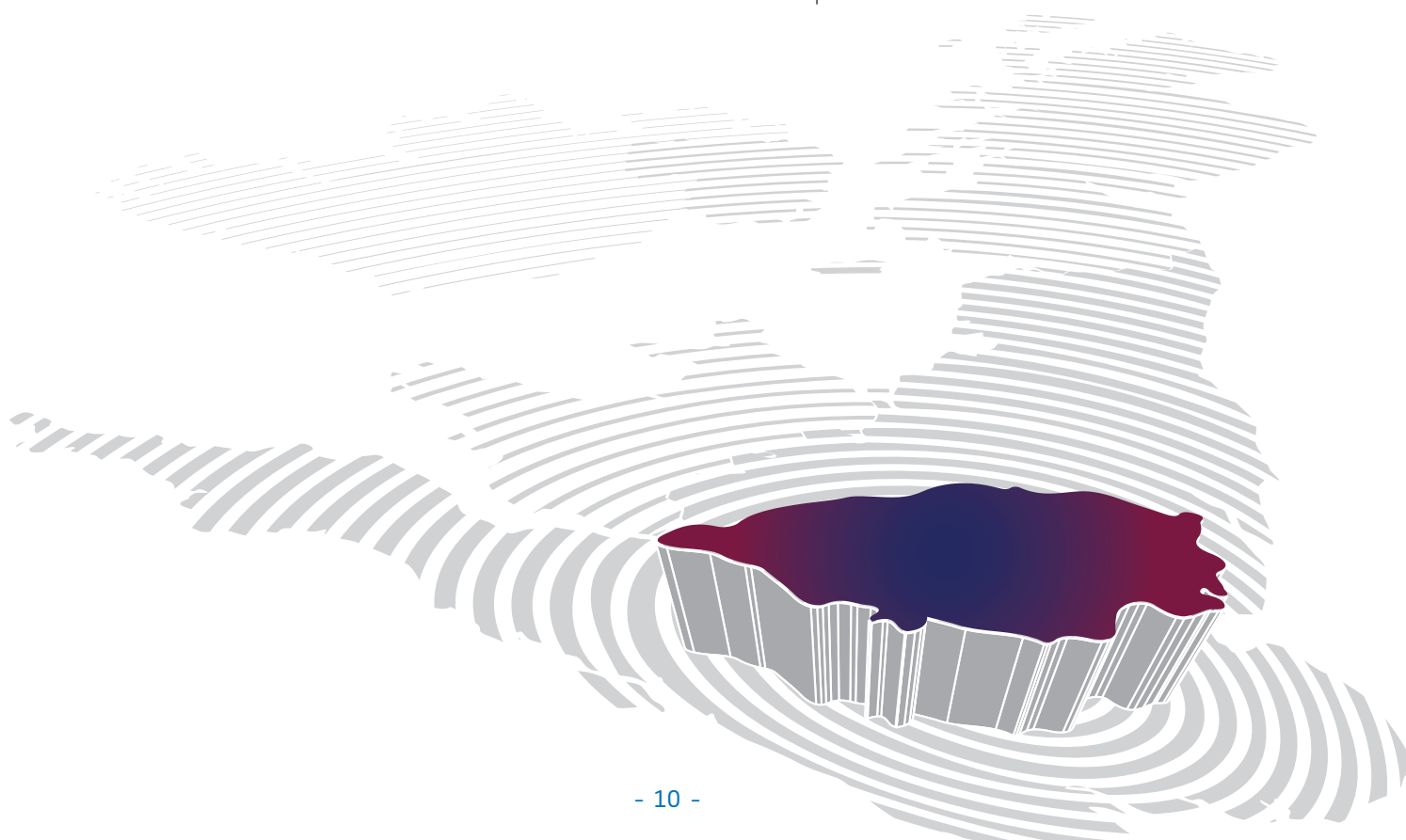
There are recognised and significant benefits delivered by increasing the capacity and capability within the region to deliver infrastructure schemes.

By investing in and establishing a regional centre of excellence, the region will be able to create a specialised skills unit on which all individual partners are able to draw on as when required.

The benefit of establishing a regional centre of excellence is recognised by the DfT. Securing additional revenue funding from the DfT would enable the team to be established before the end of the calendar year and would represent an 'invest to save', reducing the cost and risk associated with the development of regionally significant infrastructure.

This proposal is based on our 'capacity and capability' work with our partners which highlighted the limited number of schemes developed to the point at which they were ready for implementation over the next five years. This is due to depleted technical and professional capacity and experience within the 'client side' to oversee the work required to develop scheme proposals.

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.



SUB-NATIONAL TRANSPORT BODY CORE FUNDING

£5 MILLION REVENUE FUNDING OVER THREE YEARS TO CONTINUE THE STB'S AMBITIOUS PROGRAMME SUPPORTING THE PLANNING AND DELIVERY OF A TRANSPORT SYSTEM TO SUPPORT THE REGION'S GROWTH AMBITIONS WHILE DELIVERING NET ZERO

EEH's transport strategy provides the policy framework for delivering economic growth while achieving net zero emissions. Our core function moving forward is to turn the strategy's words into actions, delivering its ambitions and implementing its policies.

However, the lack of certainty and timing of funding from the DfT impacts our ability to take forward work to implement the transport strategy and ensure maintenance of the EEH evidence base. As such, a core part of our Spending Review submission is for a three-year settlement from government (funding is currently set on an annual basis). This would be supported by local funding contributions, provided by our constituent members.

This commitment to EEH's programme of work will enable us to implement the strategy's plans for the region, including through:

Achieving a net zero transport system - turning national priorities into actionable plans for our region

Our region is renowned for its world-class technology and science innovation, including expertise in future, clean mobility and electric vehicles. We want to harness this to deliver to achieve net zero by 2040, 10 years ahead of the legal requirement. Central to this is producing and then implementing our decarbonisation road map, while identifying opportunities for place-based solutions. As recognised in the DfT's transport decarbonisation plan, EEH is co-ordinating the decarbonisation workstream for England's seven STBs, convening ambition and expertise for the benefit of all STBs and local authorities in England.

Transforming our strategic public transport networks

Investment in public transport, supported by high quality first mile, last mile provision, is central to supporting the sustainable growth of the region. Securing the right service offer is crucial, including for those in rural areas with limited access to the public transport network. Our work plan includes delivering the priorities of our emerging regional bus strategy, working with our partners and Bus Operators' Association to co-ordinate plans which cross local authority boundaries, and realising the ambitions of Bus Back Better. We will also develop the outputs of our 'Rail Passenger Study' with Network Rail, identifying the improved rail journeys which provide the greatest economic benefits.

Improving local connectivity and active travel as a strategic benefit to the region

Local connectivity and active travel have strategic implications for the region's transport system. Our work will improve access to strategic transport networks, encourage shift to sustainable, low-carbon modes, and promote improved quality of life and the principles of the 'healthy Arc' initiative. We will continue our programme of focussed local connectivity projects which consider first mile, last mile priorities in specific areas, particularly in how these can maximise the value of investment in strategic infrastructure. Working with our partners, we will also unlock opportunities to fully integrate active travel into our daily routines with well designed, safe and accessible provision.

Ensuring our freight and logistics needs continue to be met whilst lowering their environmental impact

While the freight and logistics sector is essential for our businesses and communities, it is also one of the largest contributors to carbon emissions. Informed by EEH's 'Freight Study', the transport strategy sets a clear plan for taking forward our freight ambitions for the region. Work will focus on implementation, including through alternative fuelling and mitigating the impacts of construction. And we will make the strongest case for investment in the capacity on our rail network to accommodate even more of the longer distance trunk movements of freight – not just to the benefit of the Heartland but the UK as a whole.

Supporting improved connectivity and sustainable growth through our regional evidence base and connectivity studies

EEH has a strong track record in producing the tools, evidence and data which is of tangible benefit to our partners both locally and nationally – indeed, earlier this year our pioneering first mile, last mile toolkit was highly commended in the Chartered Institute of Highways and Transportation's (CIHT's) annual awards. Through ongoing engagement and development of work we will support the planning of public transport and sustainable connectivity throughout the region which enables planned growth. Our programme of connectivity studies – working with local partners to identify and prioritise future infrastructure requirements – forms a pivotal element of this. We will refresh our regional evidence base to ensure it supports the programme of connectivity studies and work by government on the Arc spatial framework.

Creation of a region-wide innovation fund:

This fund would seek to support the delivery of the transport strategy by harnessing the region's strengths in science and technology-based innovation. It would involve a series of 'grand challenges' linked with the need to transform the region's transport system, such as:

- developing new public/shared transport models for rural and semi-urban communities
- freight and logistic solutions for urban environments.

Get in touch

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