

Strategic Transport Forum 20th January 2017

Agenda Item 8: Highways England Strategic Economic Growth Plan

Recommendation: It is recommended that the meeting agree the response set out in Annex 1.

1. Context

- 1.1. 'Supporting the economy' is on Highways England's five strategic objectives. Highways England has made a public commitment to publish a strategic economic growth plan – to be called 'The Road to Growth'.
- 1.2. In November 2016 Highways England published a discussion paper as part of the process of developing their strategic economic growth plan. The purpose of the discussion paper was to present an outline of their research findings, set out their interpretation, and their proposed approach to supporting growth.
- 1.3. The discussion paper invites stakeholders to respond to a series of discussion points (a copy of the discussion paper is attached to this paper).
- 1.4. This meeting is invited to consider the draft response (Annex 1) to the discussion points: deadline for responses is 20th January 2017.

Hilary Chipping

January 2017

Highways England Strategic Economic Growth Plan**Discussion Points - Proposed Response****1. Do you agree with the areas of research we have focused on to better understand the relationship between the strategic road network and economic growth? (page 6-16 of the discussion paper)**

In looking to use the research accumulated to date it is essential that it is applied in a way that reflects future needs, as opposed to merely perpetuating current approaches. The recent National Infrastructure Commission Interim Report into the Cambridge to Oxford corridor identified a step change in economic activity, one that reflects the potential for the corridor to be 'the UK's Silicon Valley'. The scale of the opportunity is such that a continuation of the current business model for economic activity and supporting infrastructure will be insufficient: a step change in economic activity will require a step change in the approach.

Improved connectivity will be essential to enabling the economic and housing growth opportunities across the corridor to be realised. Improved connectivity will widen access to labour skills however delivering improved connectivity will in itself need investment in the skills base that delivers infrastructure improvements. England's Economic Heartland Strategic Alliance, working with its 'delivery partners' has identified an increasing concern that the skills base within the industry is insufficient and facing uncertainty as a result of the EU referendum result in June 2016.

The Strategic Alliance is committed to developing – in collaboration with Highways England – a 'Major Road Network': a network that is a combination of Highways England's Strategic Road Network and the strategically significant local transport authority roads. The Alliance is also committed to establishing a statutory Sub-national Transport Body and sees the Major Road Network as being a key building block of the statutory Transport Strategy for the Heartland area. Future management and growth of Highways England's road network should be undertaken in the context of the Major Road Network as identified by the Strategic Alliance. This includes the need to give greater consideration to the importance of investment in the 'last mile/first mile' part of journeys.

Multi modal facilities - such as rail freight terminals – are of strategic importance. It is accepted that transport planning has to be adaptable to respond to continually evolving travel patterns driven by changes in the economy. Improved connectivity to international gateways is important. In this regard it is important that due consideration is given to the importance of private business aviation services operating out of Luton Airport. Such services can be a significant determinant for businesses operating in global markets.

The research identifies the importance of identifying the business requirements of key industrial sectors: in taking a longer term view on the economic potential of the Heartland area it is essential that any framework is sufficiently flexible as to support and respond to the needs of industrial sectors that emerge in the future.

2. Do you agree with the vision we have articulated on page 4 (of the discussion paper)?

England's Economic Heartland is committed to working collaboratively with Highways England to identify a 'Major Road Network' – one that better reflects the needs of the Heartland's economy. The need for a distinct Highways England vision is questioned: the National Infrastructure Commission's Interim Report emphasises the importance of improving integration of strategic transport planning (and delivery) with economic/housing planning. Therefore any vision should relate to ensuring the economic potential of a strategic area is realised rather than seeking to establish visions for individual components of the transport system as a whole.

3. Do you agree with the strategic economic roles for Highways England that we have articulated on page 17-18 (of the discussion paper)?

The strategic economic roles set out in the discussion paper should be used as a starting point for the identification of a Major Road Network, developed collaboratively with emerging Sub-national Transport Bodies, such as England's Economic Heartland Strategic Alliance. This reflects the fact that investment in Highways England's network delivers greater economic benefits when it is integral to a medium/longer-term regional economic growth strategy.

Investment priorities across the Major Road Network should be prioritised on the basis of their contribution towards realising identified economic and housing opportunities. Consideration should always been given as to whether strategic opportunities might be better realised through the allocation of public sector funding to support delivery of investment in other modes of transport.

The suggested approach based on user costs (journey time and fuel and non-fuel operating costs) appears to be very narrow and is based on the premise that journey cost will be less than the benefits of making the journey. The validity of such an assumption needs to be tested.

4. Do you agree with our categorisation and definition of economic opportunity areas on page 19-22 (of the discussion paper)?

The categorisation and definition of economic opportunity areas as set out in the discussion paper can be used as a starting point. However, in taking a longer-term perspective on the economic potential and opportunities of a sub-national area (such as England's Economic Heartland) there needs to be sufficient flexibility to enable new strategic proposals to come forward.

5. Do you agree the two-perspective approach to prioritising economic growth locations around the strategic road network, as set out on page 23 (of the discussion paper)?

Whilst the approach set out in the discussion paper may be appropriate for Highways England to use in allocating the resources it has available, it should not be used as the basis for prioritising strategic infrastructure requirements identified as necessary to support a sub-national area to realise its economic potential.

6. Do you agree with our emerging approach on page 24 (of the discussion paper)?

The development of statutory regional Transport Strategies, together with the identification of a 'Major Road Network' by emerging Sub-national Transport Bodies means that there is a need to review the approach set out in the discussion paper. Any such review needs to be undertaken collaboratively with the emerging Sub-national Transport Bodies.

7. Do you have any further suggestions as to how we can work differently to better enable economic growth on page 25 (of the discussion paper)?

Highways England must continue to strengthen its collaborative working with emerging Sub-national Transport Bodies, reflecting their significance as strategic planning bodies. Strengthened working at a strategic (regional) level is required to ensure that the longer-term potential and opportunities for economic growth shape the investment programmes of individual organisations (such as Highways England). In this regard the need for Highways England to develop a discrete 'strategic economic growth plan' should be reviewed.