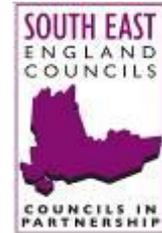


**SOUTH EAST ENGLAND COUNCILS  
ANNUAL GENERAL MEETING & ALL-MEMBER MEETING**



Date: 30 June 2016

Subject: **Making the case for infrastructure**

Report of: Nick Woolfenden, SEEC Head of Policy Co-ordination

**Recommendations:**

- i) Welcome guest speakers to update members on new work and proposals aiming to better target infrastructure investment.
- ii) Discuss how LEPs' recent economic evaluation could help make the case for South East transport investment.
- iii) Discuss how the National Infrastructure Commission can support South East investment, including through its new National Infrastructure Appraisal consultation.
- iv) Consider the role of a possible South East Sub-National Transport Body.

**1. Introduction**

- 1.1 Securing investment in strategic transport is a major priority for SEEC members, as set out in the recent [Missing Links](#) report and discussed with Minister of State for Transport, Rt Hon Robert Goodwill MP last month. Return on investment and national economic benefits are both substantial from infrastructure in the South East, as are the economic risks of not investing - such as increased congestion and slow/unreliable journey times that undermine local plans for housing and economic growth. However, key South East infrastructure investment remains hard to secure. We are pleased to welcome guest speakers to discuss three related issues with members:
  - a) **The case for South East transport: Demonstrating return on investment. Speaker: Geoff French CBE, Chairman Enterprise M3 LEP**
    - 2.1 Complementing SEEC's work to make the case for South East transport investment in Missing Links, four LEPs – working with councils – have recently undertaken innovative research. This identifies the economic benefits of investment in existing or new South East strategic transport links. We welcome Geoff French CBE, who will update members on this work commissioned by Enterprise M3, Thames Valley Berkshire, Solent and Coast to Capital LEPs, from consultants WSP Parsons Brinckerhoff.
    - 2.2 The work centres on a new evaluation to calculate the major economic benefits - locally and for UK plc - that could arise from investment in 17 South East infrastructure schemes:
      - Enhanced economic productivity = £19.5bn extra GVA
      - Increased employment = 100,000 additional jobs
      - Additional tax arising = £1.2bn extra income tax and £1bn corporation tax.
 This approach builds on existing DfT evaluations which estimate more traditional benefits such as reduced journey times or environmental benefits.
    - 2.3 The 17 projects include three of SEEC's Missing Links schemes (the others are outside the area covered by the LEP report). The report prioritises schemes and sets out high-level returns on investment and feasibility.
    - 2.4 In discussion members may want to explore:
      - How the LEPs and SEEC could work together to influence investment in South East transport?
      - What good practice and lessons learnt could be shared with other parts of the South East?
      - Potential for using the economic benefits methodology more widely, eg to reinforce the case for schemes such as those included in SEEC's Missing Links report?
  - b) **National Infrastructure Assessment. Speaker: Bridget Rosewell OBE, Commissioner, National Infrastructure Commission**
    - 3.1 The National Infrastructure Commission (NIC), set up in interim form in 2015, is [consulting](#) on the first National Infrastructure Assessment (NIA). Setting out the UK's 30-year strategic

economic infrastructure needs and funding mechanisms, Government requires the NIC to produce an NIA each parliament.

- 3.2 SEEC is developing a response to the consultation (deadline 5 August 2016), which includes 13 questions on high-level principles for:
- Vision & priorities underpinning the NIA to 2050
  - The NIA itself, to include priority recommendations for projects to be funded. Recommendations agreed by Government will become policy.
- 3.3 The NIC aims to foster long-term sustainable economic growth across all the UK, improving international competitiveness and quality of life. Key principles include securing better value for money for the taxpayer and certainty/security for investors. The NIC's economic infrastructure remit includes transport, energy, water & sewerage, flood defences, digital & comms, and waste. Housing is not in its remit, but it recognises the importance of infrastructure to support housing delivery.
- 3.4 We welcome Bridget Rosewell OBE to outline the role of NIC. Members are invited to raise key issues, which will also help inform SEEC's response to consultation, for example:
- How will the NIA recognise the opportunity South East infrastructure investment provides for investor certainty & taxpayer value for money, given our high return on investment and the risk to UK plc of not investing? The South East made an £80bn net contribution to Treasury over the 10 years 2002-12.
  - How the NIA will reflect the scale and opportunity of South East needs, given the size and growth of our economy (£227bn), population (9 million) and role as gateway for UK to the rest of the world?
  - How the NIA will balance South East high financial returns with lower returns but regeneration benefits elsewhere?
  - How SEEC's work to identify key South East investments, such as those in Missing Links, can help inform the NIC's work?
  - The importance of powers/flexibilities for councils and partners to secure finances (such as those raised by Local Government Futures' work for SEEC/SESL in agenda item J2) for large-scale schemes currently outside local funding capabilities.
  - The importance of NIC taking a transparent, inclusive approach to developing priorities, with effective South East council involvement given their knowledge of, and democratic mandate for, local and wider growth ambitions.

**c) Sub-national transport bodies and the South East. Speaker: Trevor Pugh, Strategic Director, Surrey CC**

- 4.1 At SEEC's recent meeting on the Missing Links investment needs, Transport Minister Robert Goodwill asked for member views on sub-national transport bodies (SNTB). A new provision of the Cities and Local Government Devolution Act 2016, he asked whether a South East SNTB could offer a way to prioritise investment and lever in support from all tiers of council, LEPs, Highways England and National Rail.
- 4.2 We welcome Trevor Pugh who will explain the SNTB idea and support discussion about whether, and how, a South East SNTB could help deliver key large-scale strategic transport schemes to address major infrastructure deficits.
- 4.3 Details of the governance arrangements, functions, powers and boundaries for SNTBs will be set out by Government in regulations. Existing bodies elsewhere, such as Transport for the North and Midlands Connect, are expected to become SNTBs, with statutory powers to better co-ordinate and invest in transport across their area.
- 4.4 Some councils, including Surrey CC, are already considering the opportunities a South East SNTB could provide. Trevor will explain thinking so far, reflecting DfT's steer about the large scale required. To help inform possible next steps, members are invited to discuss:
- Level of support for the purpose and scope of a SNTB in the South East?
  - How it could help councils take forward priority strategic cross-boundary transport schemes and improve access to funding?
  - How to involve all key partners, including all tiers of councils and LEPs? What role SEEC can play in this?
  - Next steps?