

19 July 2017

## **Transport and Growth Update**

### **Purpose**

For information.

### **Summary**

For information and to update EEHT Board members on three recent policy and LGA developments:

1. The Government's Transport Investment Strategy and the Major Roads Network
2. Town Centre Regeneration
3. Economic Growth landscape

### **Recommendations**

That the Environment, Economy, Housing and Transport Board:

1. Notes the update; and
2. Provides further direction to LGA officers as appropriate.

### **Action**

Officers to progress as directed by the Board.

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## **Transport and Growth Update**

### **Background**

1. Members will recall from the June 2016 EEHT Board meeting a presentation by David Quarmby and Phil Carey from the Rees Jeffreys Road Fund on their study on 'Major Roads for the Future' in England. Their core proposal focused on the need for a comprehensive decision-making framework, and a consistent and coordinated regime for the strategic planning, funding and governance of England's major roads. They identified a further 3,600 miles of the more 'strategic' local authority roads which when added to the Strategic Roads Network constitute an integrated network of national and regional roads capable of supporting our regional economies across the country. This is the 8,000 mile Major Road Network (MRN). The LGA welcomed the report.
2. On 5 July 2017 the Government published its [Transport Investment Strategy](#) (TIS) - setting out the Department for Transport's priorities and approach for future transport investment decisions. In this, and most significantly for councils, the Government accepts the case made by the Rees Jeffreys Road Fund and has made a commitment to consult on a new 'major road network'. This would see a share of the annual National Road Fund, funded by Vehicle Excise Duty (VED), given to local authorities to improve or replace the most important A-roads under their management. It also outlines plans for a new 'rebalancing' measure, which will judge how investment programmes contribute to a more balanced economy.
3. At the moment, the LGA does not know when the DfT will consult. However, this is a positive move by the Government as it is an acceptance of the LGA's argument that there needed to be a much better balance in funding for the strategic and local roads network, recognising the interdependencies between the local and strategic road network.
4. Jesse Norman MP, the new Parliamentary Under Secretary of State for Roads, Local Transport and Devolution, mentioned the MRN in his keynote address at this year's LGA Annual Conference, which was chaired by the Chair of the EEHT Board. There is now the opportunity to ensure that there is a workable, locally relevant and non-bureaucratic structure for deciding how the MRN will be managed and how investment decisions and allocations will be made. The Chairman of the EEHT Board and the Minister have agreed to meet in the near future to discuss the TIS and other priorities.

### **Town Centre Regeneration**

5. The Memorandum of Understanding (MoU) 2017-2018 between the DCLG and LGA sets out an agreement between the two parties of a comprehensive and effective package of support to be delivered by the LGA in return for grant funding. One of the areas of agreement relates to town centre regeneration and the requirement to work with DCLG deliver and support a forum whereby councils can come together to discuss common issues in relation to town centre regeneration, including sharing good practice and overcoming barriers.
6. As a very early piece of output from this joint work, representatives from Derby, Warrington and North East Lincolnshire Councils gave a presentation from their

respective areas on what they are doing to regenerate their town centres at the Innovation Zone at this year's LGA Annual Conference. The session was run twice and proved to be very popular.

7. LGA officers will continue to discuss and develop the support package with DCLG over the summer. Members will recall the joint work on the between the British Property Federation and the LGA on unlocking growth through public/ private partnerships. It is intended that the town centre work will build on the joint BPF/ LGA work and will provide a forum for sharing the lessons learned.

### **Economic Growth landscape**

8. In April 2017 the LGA set out its response to the Government's Industrial Strategy Green Paper, 'Britain's Industrial Strategy'. The LGA response focused on those areas where the strategy is likely to have a big impact on local areas:

- 8.1. Upgrading infrastructure
- 8.2. Developing skills
- 8.3. Driving growth across the whole country.

9. Since then, a snap general election took place in June following which the Conservative Party, led by Theresa May, formed a minority government, based on the Conservative manifesto, with the expectation that it will be able to draw on the support of the Democratic Unionist Party (DUP) on a confidence and supply basis.

10. The Conservative Party manifesto made a number of references to a 'modern industrial strategy', including commitments on increasing innovation and productivity, a new Future Britain Fund, skills investment, energy and energy costs and investment in transport and other economic infrastructure. In relation to the role of local areas, the manifesto made commitments on the role of local institutions, the status of Local Enterprise Partnerships (LEPs), future growth funding and Mayors:

- 10.1. **The role of local institutions:** the Government intends to support local growth through combined authorities, mayoralities and local enterprise partnerships. Each partnership and combined authority will be responsible for co-ordinating their own local industrial strategy in alignment with the national industrial strategy.
- 10.2. **Growth funding:** Wherever possible the Government will deliver growth funding through these organisations. The structural fund money that comes back to the UK following Brexit will be used to create a United Kingdom Shared Prosperity Fund, specifically designed to reduce inequalities between communities across the four nations and will support the industrial strategy. The Government will consult widely on the design of the fund, including with the devolved administrations, local authorities, businesses and public bodies.
- 10.3. **Local Enterprise Partnership:** The manifesto stated that a Conservative Government will give local enterprise partnerships greater weight by backing them in law.

10.4. **Mayors:** For combined authorities based on city-regions the Government intend to continue to support the adoption of elected mayors, but they will not support them for rural counties.

11. A rebalanced economy will remain a central theme to the new government and the industrial strategy will be one of the key vehicles for achieving this. The LGA will continue to ask for a recognition of the importance of greater local investment decisions and the value of both metropolitan and non-metropolitan areas to growth; together with a radical overhaul and devolution of the skills and employment system.

### **Implications for Wales <sup>1</sup>**

12. **Major Roads Network:** Transport is a largely devolved matter in the UK. The Major Roads network proposal relates to the English networks. However, the economies of England and Wales are closely integrated and 50% of the people of Wales live within 25 miles of the English border and Wales' major arteries the M4, A55, the A5 are cross-border routes. Consequently, cross-border connectivity may have some bearing on deliberations in creating the MRN.

13. **Town Centre Regeneration:** There are no implications for Wales.

14. **Economic Landscape:** There are no implications for Wales as local growth policy is mainly a devolved matter.

### **Next steps**

15. That the Board:

15.1. Notes the update; and

15.2. Provides further direction to LGA officers as appropriate.

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<sup>1</sup> The WLGA pays a membership fee to the LGA on behalf of all Welsh councils and we lobby for them on "non-devolved" issues - e.g. DWP work. The WLGA provides "top-slice" for workforce support, but none for "improvement".