

22nd February 2023

All Party Parliamentary Group for the South-East
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Dear Sir/Madam,

Response to the APPG for South East Call for Evidence - Transport Infrastructure

Berkshire Local Enterprise Partnership (LEP) and Berkshire Local Transport Body (BLTB), which works across all the Berkshire Unitary Authorities, is responding to the All Party Parliamentary Group for the South-East (APPG) Call for Evidence and in particular the request relating to future investment in transport infrastructure across the Region.

Berkshire LEP is an alliance between business and the public sector, with transport infrastructure providers such as National Highway and Network Rail, together with local authorities as a key partner of the LEP. The LEP is charged with a mandate to support and drive economic development and growth. We set the strategic economic thinking that shapes its area, pitch for government funds, generate private sector investment, and help local businesses to start, grow, export and access skilled talent. In short, we transform the local economies with the regeneration of town centre being a key component of this.

The BLTB was established in March 2013 to prioritise and implement transport capital schemes across Berkshire. It provides a single voice for the area focusing on a range of strategic initiatives designed to enhance connectivity, covering national, sub-national and local transport, housing growth, digital communications, water resources and flood defences, energy, and waste. Representing the LEP and the six local authorities across Berkshire, the BLTB is also a member of Transport for the South East and therefore has a strong voice on the role of transport infrastructure in shaping the economy and connectivity around the South East.

Improvements to transport infrastructure to enhance connectivity are a key part of transforming local economies and as such we have identified infrastructure improvements that are part of the 'strategic ask' for transport investment, to improve connectivity within our area, to ensure that Berkshire can thrive economically, maximise job creation and attract inward investment from businesses. Infrastructure deficits within the South East act as a constraint on growth. Investment, particularly in infrastructure, has lagged behind growth in population and in the size of the economy. The area is held back by congestion on its major roads and digital infrastructure which has not kept up with the ambitions of our local businesses.

The work of the Berkshire LEP and BLTB is endorsed by government as part of its strategy for developing the UK economy and is driven by close collaborative working with local authorities, the business community and other stakeholders in the area.

It is important that the economy of the areas around London are recognised in their own right and not merely as an area that serves the needs on London. Economic success in the wider South East benefits London and indeed the whole of the UK. It is worth highlighting that the South East pays considerably more in taxes than it receives in public spending – creating a net ‘profit’ for the Treasury. Indeed the South East was the biggest net contributor over the 10-year period 2002-12, generating a profit of £80bn for the Treasury; this compares to London’s £74.8bn over the same period.

Notwithstanding this, key social and economic challenges we would highlight which the provision of transport infrastructure can help to address are:

- Meeting the Government’s productivity aspirations and encouraging a higher-skilled workforce for contribute to the local economy.
- Provision of new homes and business space in appropriate locations.
- Delivery of a very large expansion in the supply of housing.
- Enhancing economic interactions and labour mobility through connectivity improvements.
- Being able to deliver transport infrastructure and capacity so that it does not act as a constraint on economic growth as well as meeting the skills and housing challenges identified above.
- Achieving certainty over expansion associated with increased airport capacity in the South East and ensuring that associated infrastructure is provided.
- Improvements to cross country road and rail routes linking South East economic areas without the need to travel via Central London reducing associated congestion.
- Better road and rail access to nationally important ports and airports to boost their attractiveness as business locations and improve connectivity to international markets.
- Reducing congestion and removing bottlenecks on strategic road corridors.
- Improved journey times on the major rail lines into London for business travellers and commuters.
- Enhancements to the attractiveness of the area for new investment, including foreign direct investment.

Improving strategic transport routes in the South East will support economic growth both nationally and locally bringing a significant return on investment for public funds. By failing to invest there is a risk of adding to the congestion, frustration and costs that businesses across the UK face when using the South East strategic transport corridors including as gateway routes to London and the South East’s international ports and airports. Investment is needed to maintain the attractiveness of the area for business and to secure the delivery of key development sites, new homes, new commercial floor space and new jobs. Without strategic investment in high quality transport infrastructure London and the South East runs the risk of losing businesses to international competitors.

It is no accident that the world's leading companies see London and its surrounding areas, including the Thames Valley, as the place to locate and do business. The halo effect of London supports jobs in the wider South East and the whole UK.

As highlighted above investment in infrastructure is fundamental to achieving economic growth and ensuring there is adequate funding to deliver this. Key to success in funding is de-risking investment and development and creating more certainty about funding for infrastructure provision. This will ensure that the infrastructure of the area is able to support, enhance and facilitate economic growth, boost productivity and improve the standard of living.

The approach to funding needs to be long term but also reflect the current situation in this area and acknowledge dearth of funding for major infrastructure in the Region. Until recently the Local Growth Fund and Getting Building Fund, administered by LEPs, provided significant capital funding for transport infrastructure and it is important that we build on this momentum to maximise the potential of what has, and can be achieved to maintain and unlock growth. This will require ongoing funding support to ensure that new infrastructure isn't compromised by surrounding network failures which will hugely impact on the expected performance of what has been achieved. This is significantly more pronounced in the 'new towns' areas where assets are ageing simultaneously. In addition, the pressures of climate change upon network resilience and the need for it to perform through periods of extreme weather are becoming more apparent in recent years.

Local Growth Fund successors the Levelling Up Fund and Shared Prosperity Fund, which are channelled through local authorities, are not providing anything like the level of investment of their predecessors. There needs to be a strong narrative around the case for investment in the more prosperous parts to the Region such as investing in transport infrastructure needed to support the Thames Valley economy. There is plenty of evidence that investment in economically successful areas provides significant benefits across the whole Country and there is a real danger that if investment is starved from these parts of the South East, that business will relocate out of the UK altogether.

There are many different funding models available but Berkshire LEP and BLTB believe that the type of approach used to fund schemes is not as important as having certainty that funding will be available over a sustained period of time. This will ensure that infrastructure schemes can be developed, with certainty that the funding is in place for their delivery. Such certainty engenders confidence and will allow scheme promoters to commit resources to scheme development and enable businesses to plan for the future, assured that the infrastructure needed for economic growth will be forthcoming.

This is of particular important to secure housing growth and in this instance it may be that Government needs to effectively underwrite public/private funding sources, to provide a level of certainty for the accelerated delivery of housing by the private sector that is being sought. The BLTB would also welcome a debate on alternative and innovative funding sources and

would wish to see emphasis on bringing expertise from the private sector to support the opportunities for private sector investment that must evolve going forward.

As local authorities begin work on their upcoming Local Transport Plans it is clear there is a greater emphasis on the Climate Change and the Road to Net Zero being driven by Government policy for more sustainable transport choice. Whilst we all appreciate this ambitious strategy, the guidance being produced does seem to be aimed at, and more suitable for, metropolitan areas rather than semi urban areas that characterise much of the South East.

Recently, large-scale funding for enhancing active travel and public transport has been allocated following competitive bid processes by central Government. One of the main criteria for these bids is a reallocation of road space. This tends to favour cities and metropolitan areas that have wide highways and lots of alternative routes for displaced traffic.

The Bus Service Improvement Plan (BSIP) funding sought to improve bus services by making them more frequent, faster and more reliable. “Buses must have greater priority on urban roads” the national strategy stated, with local authorities urged “to implement ambitious bus priority schemes.” As a result the bidding process favoured those authorities who committed to capital schemes promising bus priority. For smaller towns with restricted available highway width, and limited alternative options for redirecting traffic, this is problematic.

For authorities with rural elements bus priority was not the issue. More remote communities with a bus every couple of hours will not benefit by making a bus journey 5 minutes quicker; it will not lead to more frequent buses. For areas such as these, revenue funding was needed.

A similar picture is emerging in the funding of walking, wheeling and cycling improvements. Local Transport Note 1/20 provided new guidance on Cycle Infrastructure Design which advocates wide, segregated space for walkers and wheelers, for cycles, and for motorised traffic. Again this relies on having wide carriageways able to accommodate the 9.4 metres of walking, wheeling and cycle infrastructure the guidance proposes.

Many non-metropolitan authorities have complained about the lack of practical guidance for areas which are not city-based. Reallocating road space on a single carriageway section of road with narrow footways is incredibly difficult to deliver. It is clear the funding allocations to date seem to confirm this City based approach which favours metropolitan areas.

A similar picture is emerging with electric vehicle charging infrastructure funding which, while thankfully being allocated without competitive bidding, seems aimed at housing layouts not typical in our area. The LEVI fund is aimed at delivering a “step-change in the deployment of local, primarily low power on-street charging infrastructure.” Much of the housing stock without access to off-street parking is not built in traditional terraces. For example, in Bracknell housing was built in blocks with parking courts and generic parking spaces which makes the provision of EV charging infrastructure more complex.

Yours faithfully,

Kevin Travers

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