



Department
for Transport

Baroness Vere of Norbiton
Transport Minister for Roads, Buses and Places

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Cllr Martin Tett
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6 August 2020

Dear Martin,

I wanted to take this opportunity to provide clarity on the Secretary of State for Transport and my expectations for Sub-national Transport Bodies (STBs) going forward as well as to confirm your funding allocation for this financial year, subject to the terms set out in this letter.

The Secretary of State and I value the role STBs play in developing a long-term transport strategy for their regions, prioritising transport schemes for their area, and bringing a strength of partnership among their membership so that they can speak to government with one voice. We appreciate your support in delivering our shared objectives to improve transport connectivity which supports local economic and housing growth.

Whilst recognising the importance of the work of England's Economic Heartland (EEH) and the strength of collaborative working you have developed with your members, I would like to take this opportunity to reaffirm that we would not approve any proposals for statutory status. We see STBs as partnerships of local authorities, providing a strategic vision across the area for the benefit of the whole region. Department for Transport funding should be used for delivering that strategic coordination function, producing and delivering their Transport Strategy and associated Area Studies rather than on lobbying.

I am writing to confirm the grant of £500k to EEH in the financial year 2020-21 to support the development and delivery of your Transport Strategy and

other core STB functions. In line with your draft business plan I am content for this funding to be used as follows:

- £250k for policy scenario model
- £150k Strategic Environmental Assessment of the Transport Strategy – which will need to take into account other environmental assessments in the Arc to ensure a joined-up approach to effectively inform policy and transport scheme development in the Arc from a sustainability perspective
- £100k freight & logistics input to policy scenario model

Release of funding is subject to **EEH satisfactorily evidencing delivery of agreed outputs from DfT funding provided to EEH in the previous year**. Please agree with my officials how EEH will demonstrate that these conditions have been satisfactorily met. Given the importance of the Transport Strategy we would strongly recommend that funding from other sources (local contributions) are prioritised toward finalising the Transport Strategy by the end of the year.

The attached document sets out proposed governance arrangements between the Department and EEH with regards to this funding. They are intended to be proportionate while ensuring good use of public funds. If you are content with these arrangements, please sign and return a copy to my officials. My officials will separately provide a Grant Determination Form for your accountable Section 151 officer to sign and return, following which the funding will be granted under Section 31 of the Local Government Act 2003, in the financial year 2020-21.

I intend to make further funding of up to £400k available in this financial year 2020-21. This would be for EEH to act as co-sponsor for the connectivity study with Highways England. Further correspondence will follow on this.

EEH's regional capacity and capability proposal to pool scheme development and project delivery expertise at regional level is of interest to the Department but not yet sufficiently developed to allocate funding. Furthermore, we are exploring options to pilot or roll out such a model across the STBs (to improve the quality of infrastructure funding bids and longer-term potentially generate efficiency savings in scheme delivery). We may therefore wish to draw on your proposals as they develop further. My officials will continue to engage with you and the other STBs on this.

I know you may have some questions on this letter and I would like to be able to answer these and properly explain the Secretary of State's and my vision

for the future of STBs. To that end, my officials will be in touch to invite you to an STB roundtable in September, which I will host.

I look forward to being able to speak with you then.

Yours,
Charlotte

BARONESS VERE OF NORBITON

Funding and governance agreement

1. Governance

- a. Buckinghamshire Council (formerly Buckinghamshire County Council) will be the accountable body for EEH, unless otherwise agreed by EEH and confirmed to the Department in writing.

2. Use of DfT funding

- a. DfT funding may be used for the following purposes:
 - £250k for policy scenario model
 - £150k Strategic Environmental Assessment of the transport strategy – which will need to take into account other environmental assessments in the Arc to ensure a joined-up approach to effectively inform policy and transport scheme development in the Arc from a sustainability perspective
 - £100k freight & logistics input to policy scenario model
- b. EEH should confirm to DfT that they have used the funding in line with the proposed ask. Should EEH wish to use DfT funding for any purpose other than those set out above, they will first set out the proposed amount and rationale to the Department in writing, for discussion with the Department.

3. Programme and risk management

- a. EEH will, by 1 September 2020:
 - Agree their work plan, detailing planned outputs and profiled spend for 2020-21 (and beyond as appropriate), with DfT; and subsequently publish details of this on their website (e.g. in the form of a business plan)
 - Agree a suitable approach to internal governance of the STB with DfT;
 - Develop and share a comprehensive risk register with DfT.
- b. EEH and the DfT Sponsorship Team will review spend against plan, outputs, related delivery risks and any other issues or opportunities at regular engagement meetings with a view to maximising the value for money of STB activity. The DfT Sponsorship Team will provide advice and support as appropriate.

4. Ways of working

- a. DfT and EEH acknowledge the agreed STB operating principles annexed.
- b. DfT and EEH agree to open, honest, timely and frequent communication on all areas of work, including but not limited to development of the Transport Strategy and associated activity, overarching communications activity, and input to DfT programmes such as the Major Road Network.
- c. The DfT Sponsorship Team will provide proportionate strategic advice and review, recognising EEH's status as an independent partnership. EEH will consider DfT advice in light of the shared desire for a credible, evidence-based strategy that gives due regard to national transport, industrial, housing, decarbonisation and other relevant national strategies.
- d. DfT and EEH will agree, where practicable, the analytical methods and outputs for the evidence base for the Transport Strategy, recognising final responsibility for the outputs of the programme rests with EEH.

- e. EEH agree to record and share the minutes and actions from:
- EEH Strategic Transport Forum (STB)
 - EEH Transport Officers Group
 - EEH Alliance Leaders and Chief Executives Group (recognising this body is not the STB but feeds into the work of the STB)
- f. In developing their transport strategy, EEH will have regard to the Public Sector Equality Duty as if they were a local authority.
- g. EEH will work with other STBs as part of the STB liaison group to ensure consistency and avoid duplication of work between STBs wherever possible.
- h. Working alongside other groupings in the Oxford Cambridge Arc, EEH will champion the role of transport in the Arc in line with the joint statement of ambition published in spring 2019 by the Government and Arc Leaders' group, supporting and promoting the ambition for the Arc including inputting on transport and linking the EEH Transport Strategy into the Spatial Framework for the Arc.
- i. This agreement may be subject to revision following any change to the governance of the Oxford Cambridge Arc and/or in light of the developing Spatial Framework for the Arc, where this has implications for EEH's work.

Signed:

Cllr Martin Tett, Chairman, England's Economic Heartland

Date:

Martin Tugwell, Programme Director, England's Economic Heartland

Date:

Annex – STB operating principles

The role of STBs is to:

- Provide strategic consideration of transport needs at a pan-regional level aligning with economic and industrial strategies for the region
- Provide advice to Government on prioritisation of schemes at the sub-national level
- Undertake agreed activity on behalf of Government in their region, for example connectivity studies
- Support other Departmental priorities (e.g. MRN)

To be successful STBs will need to:

- Speak with 'one voice' for partners in the region
- Base all proposals in evidence
- Operate at a strategic cross-boundary regional level, not replicating the functions of local transport authorities
- Work collaboratively across their region
- Work collaboratively across the STB community, sharing best practice and avoiding duplication
- Work openly and transparently with Government
- Be able to take and defend tough decisions

To support STBs DfT will:

- Be transparent, free and frank in its dealings with STBs
- Take account of STBs' views in developing national transport policy and investment decisions – where STBs have a strong rationale, broad regional scope and coherent economic geography, can demonstrate effective prioritisation and speak with one voice for the region
- Recognise that STBs don't need to be the same in focus or level of ambition – STB priorities will reflect those of their region
- Seek to provide funding certainty wherever possible