**Report to:**        **Partnership Board –Transport for the South East**

**Date of meeting:**   **29 January 2024**

**By:**              **Lead Officer, Transport for the South East**

**Title of report:**    **Strategic Prioritisation**

**Purpose of report: To provide an update on the development of a strategic prioritisation framework and tool that will support the delivery of the Strategic Investment Plan (SIP).**

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*RECOMMENDATION:*

**The members of the Partnership Board are recommended to endorse the use of the prioritisation tool that has been developed to inform and support prioritisation decisions, and to agree to the governance process by which the prioritisation tool will be deployed.**

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**1.      Introduction**

1.1     This report provides an update on the development of a strategic prioritisation framework methodology and tool that will support the delivery of the Strategic Investment Plan (SIP).

**2.      Background**

2.1     By virtue of their inclusion within the SIP, all the schemes have been identified as priorities for the region. However, we recognise that individual schemes will be delivered through a number of different funding streams and programmes over the long term.

2.2     One of the core functions of Sub-national Transport Bodies (STBs) is to provide advice to ministers on prioritising transport investment in their area. The most recent STB Business Planning Guidance has strengthened that and requires STBs to "develop agile prioritisation frameworks" and to "be ready to provide prioritised, evidenced advice, across all modes of transport, should investment demands change in the future". There is therefore now a specific requirement to develop a methodology which will enable Transport for the South East (TfSE) to filter the schemes within the SIP and identify priorities such as "top 10 lists" either overall or based on a range of differing factors, such as funding streams, as and when we are asked to do so.

2.3     Any prioritisation framework needs to reflect the current modally based funding landscape for bringing forward schemes and infrastructure to which, in the short term

at least, we will need to respond. However, the TfSE Transport Strategy and SIP both advocate a multi-modal approach to planning and delivering transport investment within our area, and it is important that we also develop a process for prioritising schemes within the SIP that meets that overall aspiration. It is also important to consider how TfSE would prioritise schemes if long-term funding was devolved.

2.4     At the Board meeting in October 2023, the Board endorsed a prioritisation framework and methodology to enable TfSE to carry out strategic prioritisation over the short, medium and long terms, and under differing levels of funding and devolution. The Board also agreed to the development of a tool to employ the agreed methodology and provide draft prioritised lists to inform decision making. This report summarises the approved prioritisation framework, describes how the tool has been developed and operates, and proposes a process by which the tool will be deployed.

## 3.     Strategic Prioritisation Framework

3.1     The Strategic Prioritisation Framework ("framework") and supporting analytical tool have been developed to inform and support three types of decisions that TfSE may be required to take with respect to prioritisation:

1.  Deciding what to focus revenue study money for early stage scheme development on.

2.  Defining the timing and relative priority for schemes that require further development.

3.  Defining the timing and relative priority to deliver interventions.


3.2     The framework development process adopted four key principles:

1.  Be evidenced - The framework should make best use of available evidence that is consistent.
2.  Support decisions - The framework should support decision-makers but does not make decisions.
3.  Resource efficient - The framework should not reanalyse schemes in the Strategic Investment Plan but carry forward analysis.
4.  Manage uncertainty - The framework should aid TfSE and partners in navigating an uncertain funding environment.

3.3     The framework can support prioritisation using a tool that can consider a number of different scored criteria or wider scenarios (e.g. funding envelopes). The framework sorts interventions into five-year windows identifying whether the intervention will be studied, developed or delivered (or a combination thereof) in each window. It can produce prioritised lists or 'action plans' that can inform decision-making and guide action from today to 2050 in five-year increments under different constraints or scenarios. There are four stages:

1.  Organise - Define each intervention based on its current stream (study, develop, deliver).

2. Score - Assemble evidence and score on impacts (e.g. areas of benefit and value for money) and requirements (e.g. affordability and deliverability).
3. Evaluate - Define which interventions will be prioritised for study, development, or delivery based on their scores and the criteria constraints.
4. Finalise Action Plans - Finalise the allocation of schemes to the action plan after initial feedback.

3.4    Scenario planning has been incorporated to test how differing degrees of funding and devolution could affect the approach to prioritisation. Scenarios have been developed that reflect different external conditions that could shape the volume, type or timing of schemes that are prioritised. These consider differing levels of funding that may be available in a given year and the ability to make decisions at a regional level vs. having to make decisions based on programmed national funding.

**4.    Prioritisation Tool**

4.1    The Strategic Prioritisation Framework is supported by a flexible spreadsheet tool. The inputs, calculations and checks within the tool are summarised below:

4.2    <u>Inputs</u>

1. **Delivery Action Plan:** including geography, stage of scheme development, capital cost, likely lead and supporting delivery partners (Updated annually by TfSE).

2. **Multi-criteria Assessment Framework (MCAF):** a consistent, qualitative assessment of all interventions against standard criteria aligning to the Department for Transport Early Assessment and Sifting Tool (compiled during the Area Studies and development of the SIP). This forms the core data used to inform prioritisation as well as the ability to include or weight one or many criteria grouped by:

   • Impact                           Strategic Dimension

   • Expect Value for Money    Economic Dimension

   • Affordability                     Financial / Commercial Dimension

   • Deliverability                    Management Dimension

3. **Budget constraints:** scenarios for the level of budget available in any given five-year window from 2025 to 2050 to inform the number of interventions. 10% cost is assigned to the 'develop' phase and 90% to the 'deliver' phase

4. **Filters and weightings:** these are available in the tool to inform which schemes should be included or prioritised based on aligned elements. Filters that can be applied include:
   • Intervention Cost    (e.g. less than £50m)
   • Local Authority    (e.g. Kent County Council)
   • Typology    (mode or type of intervention e.g. Strategic Road Network)
   • Phase complete    (e.g. Outline Business Case or higher)
   • Programme    (e.g. Major Road Network)

4.3    Calculations

The tool can filter in or filter out interventions and brings the various evidence bases and inputs together to sort the remaining interventions by their overall MCAF score. It then allocates each ordered intervention into five-year windows based on cumulative intervention costs and budgets for the windows.

4.4    Checks

The tool has a number of checks to review the outputs and these include:

1.  Number of schemes by phase per five year window.

2.  Number of schemes by LTA per five year window.

3.  Number of schemes by typology per five year window.

4.5    The tool has been employed to develop a number of hypothetical, but plausible, priority lists for review. These have been reviewed by Transport Strategy Working Group and Senior Officer Group who had the opportunity to comment upon the emerging outcomes, and their feedback has been incorporated as the tool was refined.

## 5.    Strategic Prioritisation Governance

5.1    It is important to recognise that the tool does not make decisions, that function remains with the Partnership Board.

5.2    The tool will provide an evidence based draft priority list that responds to the specific criteria for which the prioritisation is required and will support decision makers in their considerations. Any draft priority lists produced will be considered, reviewed, iterated (if appropriate) and approved through the TfSE Governance tiers prior to coming before the Board for their discussion and decision. Depending on the outcomes from the tool, there may be the need to revise the filters and weightings within the tool and iterate a draft list to better align with regional aspirations.

5.3    A flowchart showing the governance process by which the tool will be deployed has been developed to and is shown at Appendix 1.

## 6.    Conclusions

6.1    To support one of the core functions of an STB, TfSE have developed a strategic prioritisation framework and evidence based tool. The tool together with a supporting governance process will ensure regional aspirations are reflected within any advice TfSE are required to give to the Secretary of State in relation to prioritising transport investment in relation to our area.

## 7.    Recommendations

7.1    Board Members are recommended to note that following their endorsement of the prioritisation framework and methodology, a tool to employ the methodology has been developed.

7.2     Board members are also recommended to endorse the use of the tool to develop any draft priority lists should TfSE be required to do so.

7.3     Board members are also recommended to agree to the governance process by which the tool will be deployed.


**RUPERT CLUBB**

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**Appendix 1 – TfSE Governance process by which the strategic prioritisation tool will be deployed.**



**TfSE Prioritisation Framework Process V1**

TRANSPORT FOR THE **South East**

**Government**
- Government announces funding round and bidding/prioritisation criteria
- List submitted to Government

**TfSE**
- Programme criteria and objectives
- Apply criteria and objectives to tool. Criteria to filter (e.g. scheme type). Objectives to prioritise (e.g. MRN objectives, TfSE objectives, available budget)
- Iterate List Review / revise filters and weightings
- Draft prioritised list

**Transport Strategy Working Group (TSWG)**
- Review and approve by TSWG — No / Yes

**Senior Officer Group (SOG)**
- Review and approve by SOG — No / Yes

**Partnership Board**
- Review and approve by Partnership Board — No / Yes
- Agreed Priority List