

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

Date of meeting: **13 June 2022**

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

Title of report: **Update on the Major Road Network and Large Local Major priority schemes 2020-2025**

Purpose of report: **To provide an update on the Major Road Network and Large Local Major scheme programmes.**

RECOMMENDATIONS:

The members of the Partnership Board are recommended to:

- 1) note that the revised list of priority schemes agreed at the March 2022 Board meeting was submitted to the Department for Transport**
 - 2) note that the DfT’s MRN Programme review is ongoing and no announcement on the outcome has yet been made**
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1. Introduction

1.1 This report provides an update on the development of the Major Road Network (MRN) and Large Local Major (LLM) scheme programmes, and the outcome of the recent review of the priority schemes requested by DfT.

2. Background

2.1 At a meeting on 14 June 2019, the Partnership Board agreed the list of priority MRN schemes and a group of “emerging priority” LLM schemes that should be submitted to the DfT. Following further work in relation to the LLM schemes, the Partnership Board then agreed the list of priority LLM schemes that should be submitted to the DfT at their meeting on 19 September 2019.

2.2 Since the submission of the MRN and LLM priority schemes in 2019, the DfT have been assessing the business case information for the schemes that have been submitted across the country. Two of the TfSE pre-Strategic Outline Business Case (pre-SOBC) stage LLM schemes and one MRN scheme have subsequently been approved to proceed to Strategic Outline Business Case (SOBC) development.

2.3 Two of the TfSE priority MRN schemes, Redbridge Causeway and A284 Lyminster Bypass, have both gained “programme entry” approval at Outline Business Case (OBC) stage, with Ministers confirming their commitment to providing up to £25.192m of investment towards transport schemes within the south east.

2.4 A further three schemes, A259 Bognor Regis to Littlehampton, A28 Birchington, Acol and Westgate-on-Sea Relief Road and A326 Waterside Improvements , have been approved to progress to Outline Business Case (OBC) development. It was also announced that to help the schemes progress to the next stage, the Department would

make contributions of £849,000, £750,000 and £1.254m respectively towards the costs of developing their OBC's.

3. Major Road Network and Large Local Major Schemes Update

3.1 Although there have not been any further announcements since the last Partnership Board meeting, good progress continues to be made with the development of schemes in the TfSE area. Significant work has been ongoing between the DfT, TfSE and the scheme promoters in the constituent authorities to progress the MRN and LLM scheme business cases, and to respond to the queries and clarifications received from DfT. The timescales for this work are led by the individual scheme programmes and the development work being undertaken by the promoting authorities.

4. DfT review of the MRN and LLM programme

4.1 On 18 January 2022, all STB's received a letter from DfT explaining that it is unlikely that DfT will have sufficient funding to continue to fund all the schemes currently in the programme to the current scale or timing. Therefore the DfT is carrying out a review the programme, and sought the help of STB's in undertaking this.

4.2 TfSE requested updated scheme information from all scheme promoters and undertook a review of our MRN schemes in line with the criteria outlined by DfT.

4.3 At the Partnership Board meeting on 21 March 2022, Board members considered the outcome of the TfSE review, and agreed a revised list of priority schemes to be submitted to DfT. The response to DfT is included at Appendix 1, and was submitted to DfT on 22 March 2022.

4.4 Since the response was submitted, TfSE Officers have had a further meeting with DfT to discuss the MRN programme and our response in more detail. 2 priorities emerged from the discussions. Firstly that managing the "tail" of the programme is a key concern for DfT and so opportunities to shorten timescales and bring forward delivery of schemes should be explored. Secondly, that it is imperative that scheme promoters actively engage with DfT officials and keep them up to date with progress on their schemes.

4.5 There has not yet been a formal announcement from DfT on the outcome of their review.

4.6 For schemes that remain in the programme following the review, it is extremely important that scheme promoters continue to work closely with DfT officials in developing their business cases and schemes, and ensure that the DfT are kept up to date with scheme programmes and expected timescales for delivery. This will assist DfT officials in managing the wider MRN and LLM programmes and provide them with the evidence that will be needed to bid for the required funding in advance of future spending reviews.

5. Conclusions

5.1 Board Members are recommended to note that the revised list of priority schemes agreed at the March 2022 Board meeting was submitted to the Department for Transport, however the DfT's MRN Programme review is ongoing and no announcement on the outcome has yet been made.

Lead Officer
Transport for the South East

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Appendix 1 – Letter from the Department for Transport



Department
for Transport

Department for Transport
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Web Site: www.gov.uk/dft

18th January 2022

Dear Sarah,

I am writing to set out the position on the Major Road Network (MRN) / Large Local Major (LLM) programme following the Spending Review. As with many areas, the SR has challenged Ministers to make choices and to focus on key departmental priorities. As a result, it is likely that we will not have sufficient funding to continue to fund all the schemes currently in the programme to the current scale or timing. In addition, since the programme was set up in 2019 there have been changes to Government policy around transport investment, analytical requirements especially on carbon impacts, the impact of new forecasts and of course the effects of Covid on delivery and future demand. It is therefore right that we now take the opportunity to review the programme. I am writing to all Sub-National Transport Bodies (STBs) to seek your help in undertaking this review.

As a first step we would like to give all scheme promoters and the relevant STBs the option to reconsider the schemes in the current programme. Certain schemes may no longer be a priority because they have increased in cost, cannot be progressed in a timely fashion or no longer fit with the local authority's latest transport objectives.

Second, we ask that all local authorities (LAs) and STBs consider whether schemes in the programme will meet either the original objectives of the MRN programme which are:

- Reducing congestion
- Supporting economic growth and rebalancing
- Supporting housing delivery
- Supporting all road users
- Supporting the Strategic Road Network

or more recent, wider objectives of Government transport investment. These include:

- Strategic case – does the scheme still meet the objectives of the MRN programme and/or the latest objectives/policies of the LA or STB?
- Value for money (VfM) – as a result of recent changes to Transport Analysis Guidance and other issues, is the scheme likely to be low or poor VfM?

- Timely progress – what progress has been made on the scheme since it was added to the programme in 2019 and will the scheme be ready to start construction by the end of the forthcoming Spending Review period i.e. March 2025
- Local support – is the scheme actively supported by the local MP(s) and others in the wider community?

In addition, the importance of decarbonisation has increased since May 2019 so consideration of whether the scheme is likely to make carbon worse and lead to a lower VfM, especially now the cost of carbon has been increased substantially, should also be a factor in your reconsideration. Active travel and bus improvements are also issues that have grown in importance and any opportunities to promote these in major schemes should be reflected, where possible.

Given your role in the original development of the programme, I would be grateful if you could co-ordinate within your area a response to this request based on the issues and questions above and return to the Department by Tuesday 1st March.

Any LA choosing to withdraw a scheme will not be penalised in any future funding rounds . We are also conducting our review and Ministers reserve the right to consider the status of all schemes in the programme against overall programme affordability. The starting point for the review is that any scheme that already has approval at Outline Business Case stage will not be considered for removal unless the LA/STB decides otherwise or unless the case for the scheme changes significantly.

We are writing in similar terms to all local authorities with schemes currently in the programme.

We would be happy to discuss.



Philip Andrews

Head of Road Investment, Policy and Pipeline Development