

### **SOUTH EAST ENGLAND REGIONAL TRANSPORT BOARD**

Date: 6 January 2006

Subject: **Regional Funding Allocations**

Report of: Chief Executive, South East England Regional Assembly

#### **Recommendations:**

1. That the Board receives the latest draft of the Regional Funding Allocations advice (attached).
  2. That the Board considers the region's advice to Ministers in the event of a combined regional funding allocation ten percent larger than that already announced.
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#### **1. Purpose of the Report**

- 1.1 This paper reports on the preparation of the Regional Funding Allocations (RFA) advice, and invites the Board to consider how resources should be allocated were the overall allocation to be ten percent larger.

#### **2. Preparing the advice**

- 2.1 Members will be aware that the Government has asked regions to provide advice by the end of January 2006 on the spending priorities for regional budgets for transport, housing and economic development over the next five years and beyond. The regional bodies – GOSE, the Assembly and SEEDA – have been working with partners and stakeholders to prepare this advice, and the latest draft is attached to this report.
- 2.2 The attached draft brings together and builds upon three separate papers agreed by this Board, the Regional Housing Board, and the SEEDA Board. Contributions to the drafting have been received through a steering group of partner representatives and from local authority chief executives, as well as through a regional stakeholder workshop held on 16 December.

#### **3. An extra ten percent**

- 3.1 In seeking this advice the Government asked regions to detail the impact of a ten percent cut in the combined RFA and also to explain what more could be achieved if the RFA was ten percent greater. For transport, the implication of a budget smaller than the allocation already made would clearly be a further slippage of prioritised interventions. However, the question of an

extra ten percent is an important opportunity, and the region's pitch should demonstrate our ability to maximise the Government's 'bang for buck'. In the case of the South East, ten percent of the combined RFA amounts to some £70m per year.

- 3.2 The implication is therefore that, rather than offering advice simply to bring forward transport schemes in the pipeline, the region should show how resources from all three budgets can be focused together to make a significant difference, greater than the sum of its parts. The following factors would be key considerations:

- **Leverage**

The extent to which an additional allocation from Government unlocks other resources, particularly private sector funding, to achieve common goals. The Board has already noted that while some transport interventions are practically 100% public money, others, such as Reading Station, could involve considerable leverage from the private sector.

- **Wider benefits**

The extent to which a transport intervention benefits more than one part of the region (the A3 at Hindhead is an example); given the South East's gateway role there are many examples too where regional investment here is of benefit to other regions (eg gauge enhancement north from Southampton, Reading Station). A further consideration is where investment here is matched in other regions to achieve wider benefits (such as in the Milton Keynes South Midlands sub-region).

- **Spatial emphasis**

The extent to which spending can be concentrated to make a lasting difference for a particular geographical area, such as the alignment of transport, economic development and housing funding to support development in growth points; the PUSH area (South Hampshire) is a case in point.

- **Innovation**

The extent to which 'windfall' funds can be directed towards innovations which are marginalised by the overwhelming call on resources from existing commitments and priorities; in the realm of transport, demand management through congestion charging pilots might provide an example.

#### 4. **Next Steps**

- 4.1 Proposals on these matters will be included in the next draft of the document and reported to members at the meeting. The Board's views will shape the final version of the RFA advice to be considered by the Assembly's Executive Committee and the SEEDA Board later in January.

**Paul Bevan**  
**Chief Executive**

21 December 2005