

The Trans-Midlands Trade Corridor Prospectus



Proposal for an Economic Development Strategy

August 2019



The *Trans-Midlands Trade Corridor*. Bringing together people, business and investment.



"The proposals put forward in this prospectus, if given the right support by the Treasury, the Department for Business, Energy and Industrial Strategy and the Department for Transport, present us with a unique opportunity to unlock huge benefits, not only in the Midlands, but UK-wide. Early interventions could reap long-term gains for both rail and road users, whether through additional capacity on our local network, reduced journey times for commuters, or the cut in emissions as freight cargo transfers from road to track. Given the positive economic impacts of enhanced infrastructure on this vital trade corridor, I would very much like to see this plan progress."

Trans-Midlands Trade Corridor champion, Nigel Huddleston MP
(Mid-Worcestershire)

Since publishing our Strategy in 2017, Midlands Connect has been promoting economic growth in geographies defined by 'strategic movement corridors'. We have identified corridors where evidence supports that industries there are not only linked, hence creating clustering effects, but are also dependent upon the strategic transport infrastructure which forms the basis of the corridor in the first place.

An example of this is 'The Trans-Midlands Trade Corridor'. The corridor is largely defined by the A46, part of the Strategic Road Network (SRN), which runs for over 250 kilometres from the M5 at Tewkesbury to Grimsby and on to Hull via the A15; but there are also some important rail links which mirror the road, connecting a number of major towns and cities.



The corridor's functional economic geography

The corridor¹ is already an important economic spine; businesses there produced £115 billion output in 2015, nearly 9% of English GVA, and is home to over 5 million people. A map of the current corridor definition is shown at the end of this document.



¹ As defined in Midlands Connect's 'A46 Study Phase 1' Enhanced Strategic Case

An export centre

The Midlands exports more than any other region in England after the North East. Access to international gateways is therefore critical to the Midlands economy. The equivalent of half of these exports are generated in the Trans-Midlands Trade Corridor (the corridor extends to Gloucestershire and Humberside outside of the Midlands) and are particularly important to the economies of Solihull, Coventry, North and North East Lincolnshire, Warwickshire, Worcestershire and north Gloucestershire. The corridor provides connectivity to major ports at either end – Bristol and Cardiff to the south and Immingham/Grimsby/Goole/Hull to the north – and close links to both Birmingham and East Midlands airports.

"AB Ports have the capacity to be able to increase their capacity of freight (already 80m tonnes annually through Humber) if Dover can't handle the amount of freight post-Brexit."

"The A46 is currently an enabler – but there is not much alternative, so if there is disruption it can cause significant problems."

Associated British Ports, Humberside



47%

higher export rate than UK average



22%

of goods and services are exported

Home to road-reliant industries

Around half of all jobs and GVA in the corridor are in sectors dependent on the Strategic Road Network (SRN)² for both national and international supply chain and routes to market. The share of the corridor's jobs in these sectors is higher than any other part of England and significantly above the UK average.

Although it accounts for around 9% of England's overall jobs the corridor's geography includes:

- A quarter of England's jobs in the automotive sector.
- A third of England's jobs in clothes manufacturing.
- Almost 20% of England's jobs in the agri-food sectors; particularly prevalent at the northern and southern ends of the corridor. Lincolnshire alone produces 25% of the UK's vegetables and processes 70% of its fish.
- Aviation businesses clustered around north Gloucestershire / Worcestershire / Warwickshire are linked by the A46/M5 to similar clusters around Bristol/the South West. Together these two linked clusters make up almost 40% of England's jobs in the sector.
- A number of emerging, high-growth and interconnected sectors which would benefit from improved connectivity to create clustering effects. These include the battery technology sector in Coventry and Warwickshire, the cyber security sector in Worcestershire and Gloucestershire based on the proximity to GCHQ and the Government-backed Cyber Park, computer gaming in Leamington Spa ('Silicon Spa') and in north Gloucestershire.

Strong growth forecast in city centre-based professional services

Three of the four largest centres for professional services in the Midlands are in or connected to this corridor: Coventry, Nottingham and Leicester. Cambridge Econometrics

² As defined by Highways England's 2017 'The Road to Growth' report

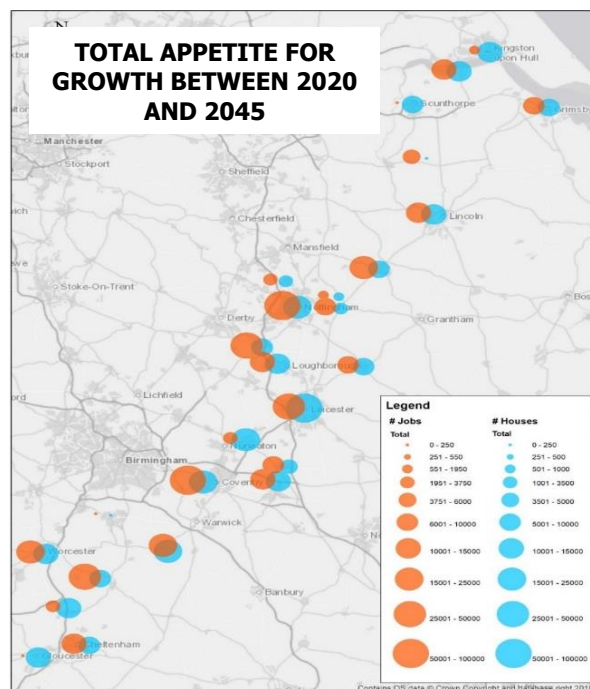
forecasts suggest that there will be significant growth in these three cities up to 2037; with Nottingham and Coventry in particular due to grow in this sector by more than 20%.

The Coventry and Warwickshire Local Enterprise Partnership (LEP), Leicester and Leicestershire LEP and D2N2 (Derby, Derbyshire, Nottingham and Nottinghamshire) LEP outline major growth at several locations, with some individual sites forecasting in excess of 10,000 jobs. The largest developments include Friargate (Coventry) and Broadmarsh & Southern Gateway (Nottingham), both introducing several thousand jobs.

Local appetite for jobs and housing growth

Planning Authorities are already beginning to consider what their longer-term (i.e. beyond their current Local Plans) development aspirations could be. When interviewed by Midlands Connect, they collectively stated that just under 275,000 new homes could be delivered in the next 25 years; if the conditions for sustainable growth could be met. This level of growth would go a long way to supporting the growing housing need for the Midlands as a whole; which stands at 600,000 homes in the next 15 years. An example of a specific opportunity is the planned Tewkesbury Garden Village at Ashchurch, which could see up to 10,000 houses built.

Additionally, the authorities stated that they could deliver the conditions to realise around 190,000 jobs over the same time frame but will need support from national government to ensure that the strategic infrastructure is in place to support this.



This level of appetite and aspiration for bringing forward development coming from the 'bottom up' is an important component to actually seeing significant growth delivered. Midlands Connect believes that these figures could be even higher if a coordinated approach to local and national policy and infrastructure were adopted for the corridor.

Poor performance of current strategic transport infrastructure

Our investigations show a picture of continued decline in the performance of the SRN. This holds back current productivity but is also a barrier to future growth. Speeds on the A46 and A15 are frequently below 20mph, but more importantly, journeys are also extremely unreliable. Journey times can vary by as much as twice the daily average on long stretches of the road. It is this variability which has the biggest impact on the industry sectors prevalent in this corridor, limiting their ability to plan and function and critically affecting productivity, as additional time must be factored into schedules to plan for uncertainty and ensure delivery slots are not missed.

"We experience daily delays along the A46 corridor, impacting on our 'delivery on time' targets, which in turn can drive inefficient routing, as the planners will plan to arrive on time but are unable to fill the vehicle due to driving time lost through delays"

Midlands Connect has also identified that some of the key cities in the corridor have particularly poor connectivity by rail; which in

Nisa Retail, Lincolnshire

turn is suppressing journeys to work by rail and in some cases the economic growth potential of city centres. Two obvious examples of this are the connectivity between Coventry, Leicester and Nottingham and Nottingham and Lincoln.

Despite the relative proximity and size of Coventry and Leicester, they being less than 30 miles apart with a combined population of around 800,000 people, there are no direct rail services between these two cities. Journeys take at best an hour; or if a very narrow window for a connection at Nuneaton is missed, then they can easily rise to an hour and a half. Improvements to the railway will play a key role in facilitating city centre growth, particularly in the professional services sector. The economies of better connected cities can interact, generating productivity improvements through clustering effects. More frequent and faster rail can also widen journey to work catchment areas and support modal shift from road to rail for commuters.

"This project is a great opportunity to improve connectivity between the East and West Midlands, something which has sadly been overlooked for many years. It will provide brilliant direct rail links between Leicester and Coventry – the two biggest cities currently not connected by a direct rail service, and provide a true alternative to the car."

Sir Peter Soulsby, Mayor of Leicester City

Similar levels of poor rail connectivity exist in the northern section of the corridor; where there are only slow services running between Nottingham and Lincoln once per hour. Key centres such as Nottingham, Lincoln and Newark are important trip attractors for employment and future growth.

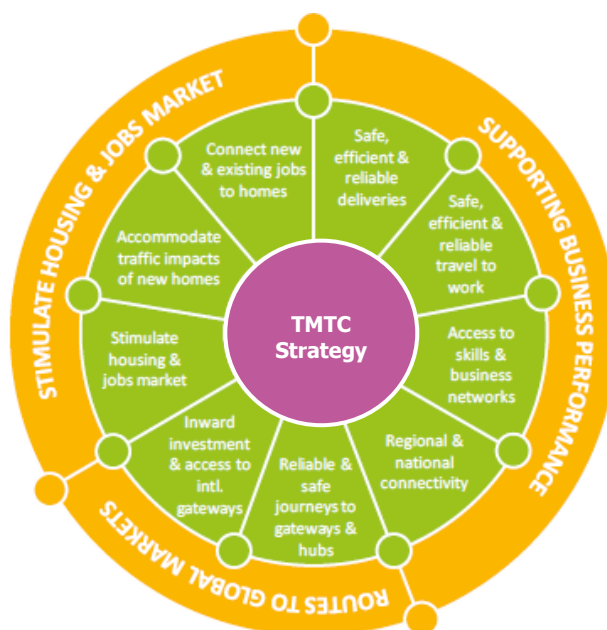
Rail's mode share is currently low for these centres, particularly for travel into Lincoln and Newark, which reflects the poor overall 'offer' presented by rail relative to other modes. Increasing frequencies and reducing the journey time to below 60 minutes will be important in stimulating the travel-to-work market, and providing rail with a key advantage over alternative modes.

This is a corridor in which businesses want to locate, but poor transport performance is having a number of impacts: investment decisions, operational performance and profitability of businesses plus the catchment areas and mode choice of commuters are all negatively impacted.

For example, in response to a survey issued to over 250 businesses in the corridor by Midlands Connect, 97% reported that an improved A46 would allow them to raise their productivity, while 65% would have the confidence to create new jobs.

Developing a strategic plan for the Trans-Midlands Trade Corridor

To unlock the potential growth in this corridor, we recognise that our plans must move beyond transport and embrace a full suite of economic development headings such as: skills, training, trade links, technology and innovation, placemaking and availability of housing and commercial land.



There are potential multiplier effects which could come from an integrated approach to economic and social development that could increase the speed of growth and raise productivity; using transport investment as a catalyst. There is the potential for the work of local authorities and local enterprise partnerships to secure significant benefits from land value uplift through the planning process, alongside increases in business rates and wider benefits from a stronger local economy.

We propose to develop a holistic strategy, based around understanding how priming/catalyst investments in the strategic transport infrastructure could create the opportunity for nationally-significant economic growth, and associated social benefits. Midlands Connect believes that the deliverability of such a strategy will be more successful if it were driven 'bottom-up' as a collaboration between local authorities, local enterprise partnerships, the private sector and national government. By thinking about strategic planning along movement corridors, rather than solely within political boundaries, local economies can use transport assets as an enabler to strong and sustainable growth.

The strategy should provide a framework for more detailed planning and collaboration, and could support revisions to local plans as well as collaboration through Joint Spatial Plans and bespoke growth plans for specific sectors within the corridor.

Ultimately, the aim is to secure commitment from government to work with local authorities and industries to maximise growth potential and continue to grow the UK's global trading.

The corridor's economic potential



Midlands Connect's initial work, which looked at the opportunities from investing in the A46, demonstrated that a road which provides a substantially faster and more reliable service than today could generate £7 billion to the national economy over a 60 year period, through direct transport benefits alone. Our work on the Coventry-Leicester-Nottingham rail link also suggests substantial economic growth opportunities.

However, none of our assessments to date have looked at the potential to generate multiplier effect benefits where a complementary package delivers 'greater than the sum of its parts'. Nor have we yet properly quantified the impact of jobs and housing growth which would arise as a direct result of a holistic strategy; which is where we believe there are significant opportunities worth exploring and quantifying in a TMTC Strategic Economic Plan.

If the full 190,000 jobs (stated by planning authorities as having the potential to be delivered) could be realised this would create just over £7.5 billion uplift in GVA per year³. Or if, over the timeframe of the strategy, the average GVA per job was raised by just 5% through improved productivity this could generate over £5 billion per year.

The potential is significant, but a holistic strategy is needed in order to realise it.

³ Taking the average GVA per job in the corridor as £39,655 (£115bn in GVA divided by 2.9 million jobs)

A Corridor-Based Strategic Economic Plan

In our 2017 Strategy, Midlands Connect identified the A46 as an important east-west connection for the region, which was under performing. Rail connectivity between Coventry and Leicester and Nottingham and Lincoln was also identified as in urgent need of improvement. Since then Midlands Connect has been working with local authorities to gather evidence and understand the role and function strategic transport plays in the local and wider economic geography.

Local authorities and LEPs in the southern section of the corridor (Gloucestershire to Leicestershire) have been collaborating for some time already under the banner of the 'A46 Partnership'. They have worked together to identify a prospectus of the needs and opportunities for the road in that section. Authorities in the northern section (Nottinghamshire to Humberside) are now also forming themselves into a similar partnership. These partnerships all recognise the vital role that strategic transport plays both to their local economies but also to their ability to attract new jobs and people to their areas.

The A46 largely defines the functional economic geography of the corridor (including the M69 and A15), but it also binds the economies of all the individual areas along it. This is why, for example, Lincolnshire recognise the need for the Newark bypass. Despite the investment being needed in Nottinghamshire, the current problems created by the pinch point have a large effect on supply chains and routes to market for the agri-food sectors in Lincolnshire. The same can be said towards the southern end of the corridor, where Warwickshire recognises that investment around Ashchurch or Evesham in north Gloucestershire and Worcestershire would provide a benefit to its local economy. Investment there would improve connections to the South-West and Wales for the growing advanced manufacturing sector in Warwickshire.



Our offer to government

It is the collective reliance on the strategic transport assets of the corridor that has brought all parties together to determine how they can work together, and also how they might collaborate with national government. The aim will be to understand how to realise strong and sustainable growth on a scale, not only significant for the Midlands, but for the UK as a whole. A number of local authorities within the corridor are also members or associate members of the West Midlands Combined Authority (WMCA) whose growth deal with Government includes the delivery of 215,000 homes across the West Midlands geography. Infrastructure improvements will not only help deliver those homes, but will allow local authorities to do so more quickly and provide opportunities to deliver further economic growth.

Forty local authorities and LEPs along the corridor have signed up to a pledge (at the end of this document). Their offer to government is to collaborate across political boundaries to develop a strategic economic plan for the corridor. This new strategy and delivery plan will set out how each partner can contribute to a wider, national agenda and collectively support the functional economic geography of the corridor. Clear responsibilities for delivering infrastructure and policymaking at a local level will come from such a plan.

Our ask of government

We ask that Government funds the initial investigation and is a collaborating partner in the development of this new strategy. This will involve a commitment to understand and work with the partners on a delivery plan for the strategic infrastructure requirements needed to take advantage of the growth opportunities afforded by the corridor. It may also be necessary to consider giving new powers to authorities that allow them to capture land value increases in order to part fund the recommendations from the plan; such as a Strategic Infrastructure Levy.

Areas of potential scope

The ultimate outcome of this new strategy will be to establish a plan for how growth can be delivered and productivity increased in the corridor; but also how good place making can attract more people to live and work in the area. This would entail a comprehensive and connected plan of infrastructure investment (both local and strategic) and policy which seeks to create multiplier effects from coordination and collaboration across a number of agendas.

The current corridor area lies across a number of existing and emerging Local Plans, Strategic Economic Plans, Local Industrial Strategies and other strategies for local transport, skills/training, technology/innovation etc. There will be a need for the new corridor strategy to identify: areas of commonality between these plans, where they align to the specific characteristics of the corridor, deepen analysis to understand where multiplier effects could be found and where investment in strategic transport infrastructure will be needed to support them. There will also be a need to go beyond the lifetime of existing Local Plans in order to identify longer-term and larger-scale development; which would generate something considered nationally-significant in scale.

The exact scope of works for the strategy would be established through a partnership approach and appropriate project governance structure. However, areas of investigation could include:

1. Vision and objectives symposium

Bring the collaborating partners together to agree a strong vision as to how the corridor can deliver nationally-significant and sustainable economic growth. A focus must also be on the social benefits that the strategy can bring to the current and future residents of the corridor.

2. Sector-focused analysis of opportunities, impacts and outcomes

Midlands Connect has done a lot of work to understand the industrial make-up of the corridor, which has identified its functional economic geography. There are existing and emerging clusters of the same or similar industrial sectors, and the strategy will need to develop plans to take full advantage of clustering effects. The next steps will be to understand the detailed needs of the industries which can take most advantage of catalyst investments in transport infrastructure. By understanding their wider needs, particularly around improving productivity and job creation, the strategy can begin to develop plans to create supporting policies and programmes which will seek the multiplier effects from any infrastructure investment.

3. Seek land value capture opportunities, including a longer-term land availability assessment

Whilst the output of this strategy would not supersede statutory planning documents, such as Local Plans, a focus of it must be to understand how land (brownfield and greenfield) could be utilised to deliver homes and jobs over a period beyond what current Local Plans cover (typically post-2031) and to a scale which takes full advantage of the opportunities presented by the corridor. Crucial to this area of investigation will be to understand how land value capture methods and direct developer contributions could help to part fund the infrastructure needs of the strategy. This could include an assessment of how Community and Strategic Infrastructure Levy arrangements could form part of the funding package for the overall delivery plan.

4. Establish and appraise a range of interventions

The strategy must result in a clear plan for deliverables (both infrastructure and policy) which will contribute to a single-holistic plan. The costs and benefits of a package of interventions should be developed and presented to partners. The intervention could be wide ranging or focused on critical success factors, but all linked to the clear opportunities and characteristics of the corridor. For example:

- Local and strategic connectivity, particularly for improvements to the 'last mile';
- Digital and technology solutions to connectivity needs;
- Solutions to support travel behaviour change, particularly to support a sustainable approach to large-scale housing growth and to combat air quality and climate change concerns;
- Other civil infrastructure requirements;
- Support for land availability;
- Support for small, less efficient businesses (the long tail of low productivity);

- Produce graduates linked to the specific industry needs and opportunities of the corridor;
- Implement skills programmes which relate to the key sectors of the corridor; and
- Create links with research institutes, academia, incubators and accelerators – implement innovation and future technology.

5. Understand the social value, environmental impacts and opportunities both currently and from the proposed interventions

The strategy must have a keen eye on the social and natural assets of the corridor. These will be central to how great places to live and work can be established. The strategy will need to understand how these can be utilised to the best advantage of existing and future communities.

In addition the strategy must quantify environmental impacts and identify mitigation from any potential interventions.

6. Future-ready opportunities

There is a huge role for technology and innovation to support growth ambitions. There is an opportunity for the TMTC to accelerate the electric vehicle agenda, seek opportunities for intelligent infrastructure and use Mobility as a Service (Maas) to exploit synergies between modes, thereby taking a systems-wide approach to transport. The quantum of housing proposed would provide the opportunity to demonstrate new approaches to reducing reliance on single occupancy cars. This would tie in well with the R&D and advanced manufacturing sectors which are well represented within the corridor. For example, Warwick University's 'Warwick Manufacturing Group', in conjunction with Coventry City Council, are currently developing new approaches to 'Very Light Rail'.

This corridor has the potential to provide a living laboratory to test out how the benefits can be maximised from future mobility and maximise the efficiency of the transport investment needed. Areas of investigation could include:

'Smart Ready'	Digital infrastructure needs, including 5G, 'Connected and Autonomous Vehicle' (CAV) requirements and Maas.
'Logistics Ready'	Real-time and predictive journey planning information. Dedicated capacity for freight at key locations.
'Fuel Ready'	Electric charging infrastructure needs. Other alternative fuels to support more sustainable freight and logistics movements.

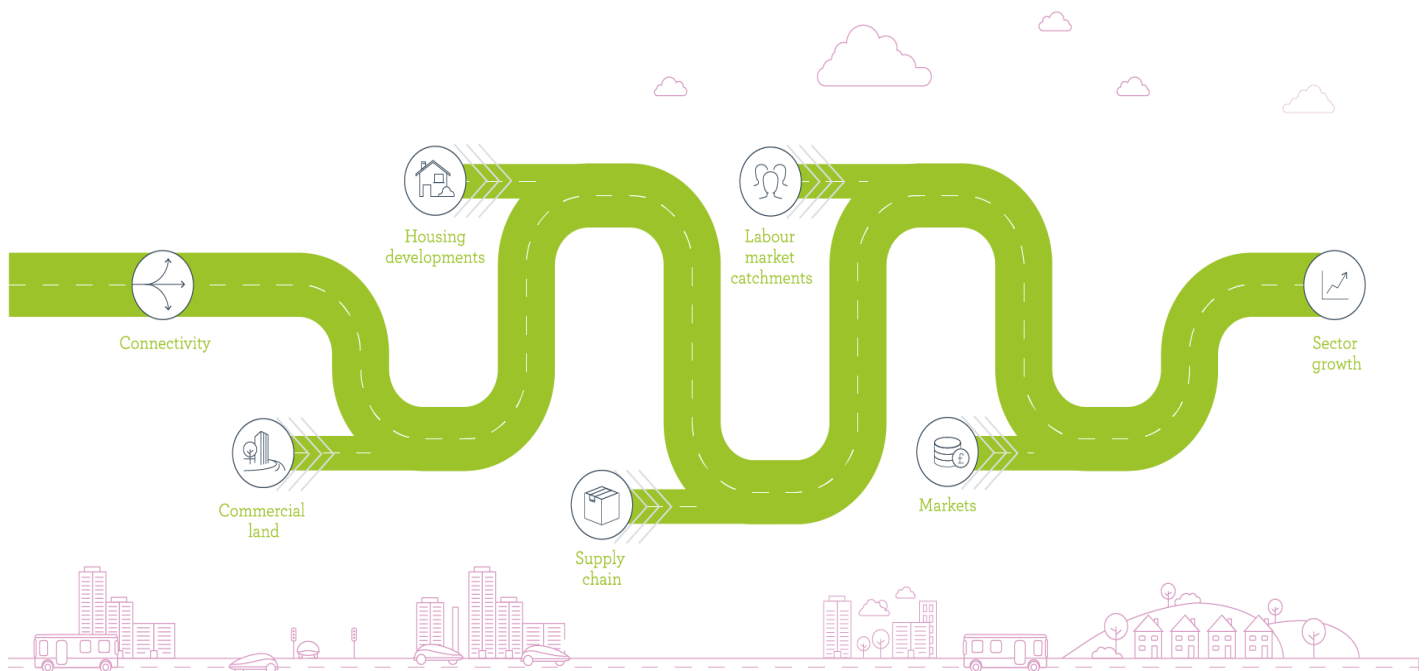
7. Establish public-private delivery pacts

The role of the private sector in delivering the strategy recommendations must be clearly understood. During the strategy development private sector partners should be approached and pacts around delivery responsibilities and commitments sought. Chambers of Commerce along the route have already expressed their support for the concept and will be a key partner in its development and delivery.

8. Develop the integrated investment and policy strategy

Finally, all strands of work should be brought together into an integrated strategy that will:

- Establish the first wave of specific projects linked to the corridor; including getting investment opportunities 'shovel ready' for future funding opportunities.
- Agree roles and responsibilities for delivery of interventions across the different agencies.
- Align with funding packages and policy objectives - interventions, inputs, outputs, outcomes.
- Develop an impact assessment approach and evaluation framework for each intervention.
- Understand programme dependencies to feed into sequencing of interventions.
- Present an economic, environmental and social appraisal of the plan.
- Develop a phased and sequenced delivery strategy.



Statement of Commitment and Collaboration

We (as leaders of the local enterprise partnerships, planning and highway authorities) feel that the Trans-Midlands Trade Corridor has strong potential to be considered as a nationally-important economic growth corridor. This would enable a plan to come forward which would elevate its potential beyond the benefits from piecemeal transport investments alone. We believe that a comprehensive strategy looking into a range of complementary policies, investments and partnerships could deliver significant multiplier effects which build upon catalyst investments in the road and rail infrastructure serving the corridor.

By bringing together strategies for housing delivery, skills/training, digital and social infrastructure, we believe the corridor can become a virtuous circle of an attractive place to live and do business. To make such a vision a reality all levels of government, plus private sector partners, must collaborate. Whilst the challenges of this are recognised, we see the corridor as a significant opportunity to deliver a strong economic return for the country.

We are ambitious about our vision for the corridor and are keen to work with Government to secure future prosperity for the UK.

As an offer to government we make this statement of commitment to collaborate both together and with national agencies to identify a comprehensive strategy of policy and intervention needs, to help realise strong and sustainable economic growth at a nationally-significant scale. This will establish the role of all partners, including our role at a local level, to deliver strong growth; in areas such as:

- **Productivity** – understanding what our businesses need from us to increase productivity and create new jobs, including through the skills needed to take advantage of the opportunities the corridor has to offer;
- **Place-making** – including identifying the short and longer-term opportunities for delivering nationally-significant housing and jobs numbers and creating great places for people to live and work;
- **Connectivity** – consider the strategic and local infrastructure, including the role of new technology, along the corridor and its connections to the rest of the UK;
- **Environment** – ensuring that growth does not come at a cost to our environment for future generations.

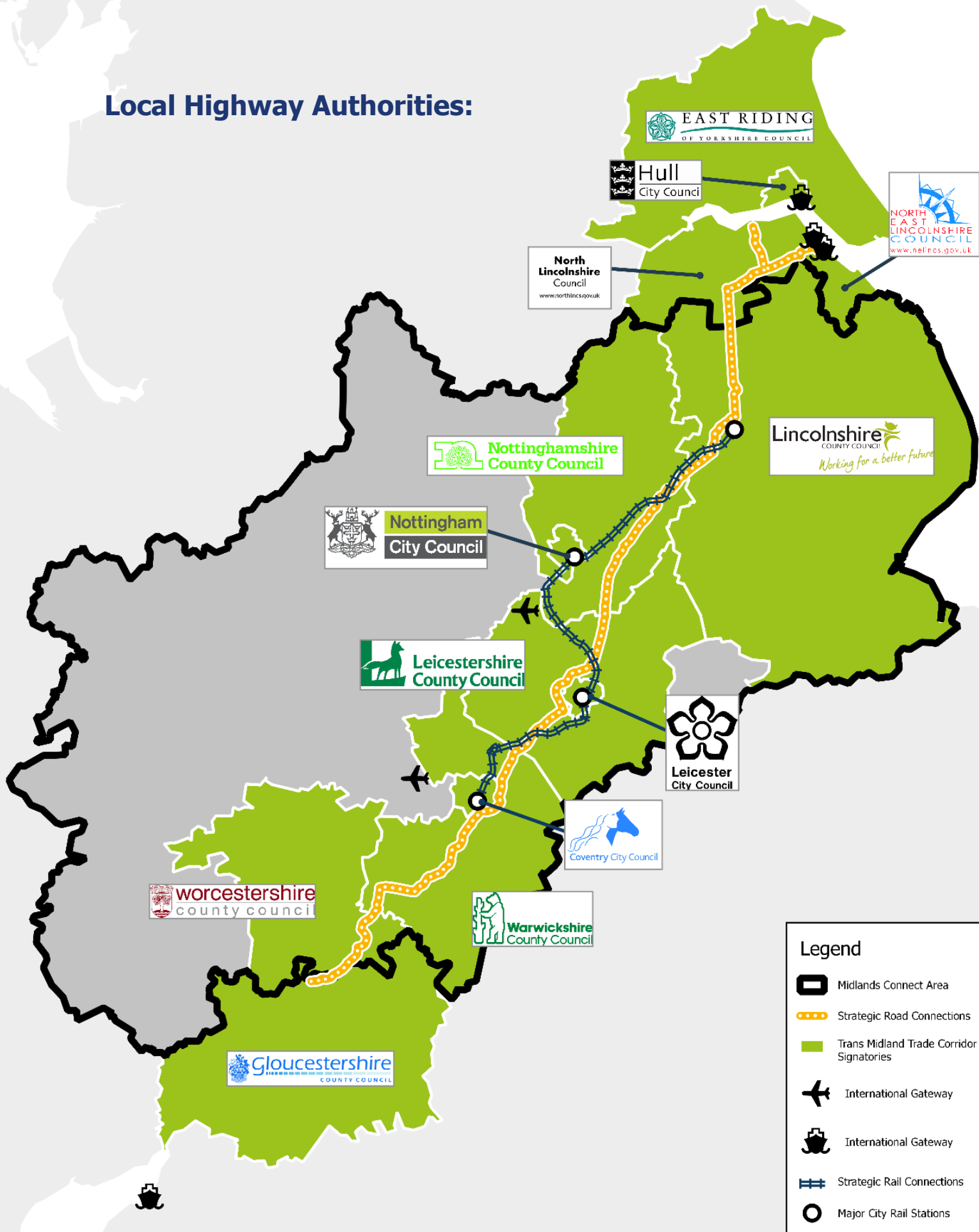
Leader of the Council/LEP Chair

The following pages indicate the 40 authorities and LEPs whose Leaders have signed-up to this statement of commitment to be a future partner in a Trans-Midlands Trade Corridor study.



Signatories to the Trans-Midlands Trade Corridor Statement of Commitment and Collaboration

Local Highway Authorities:

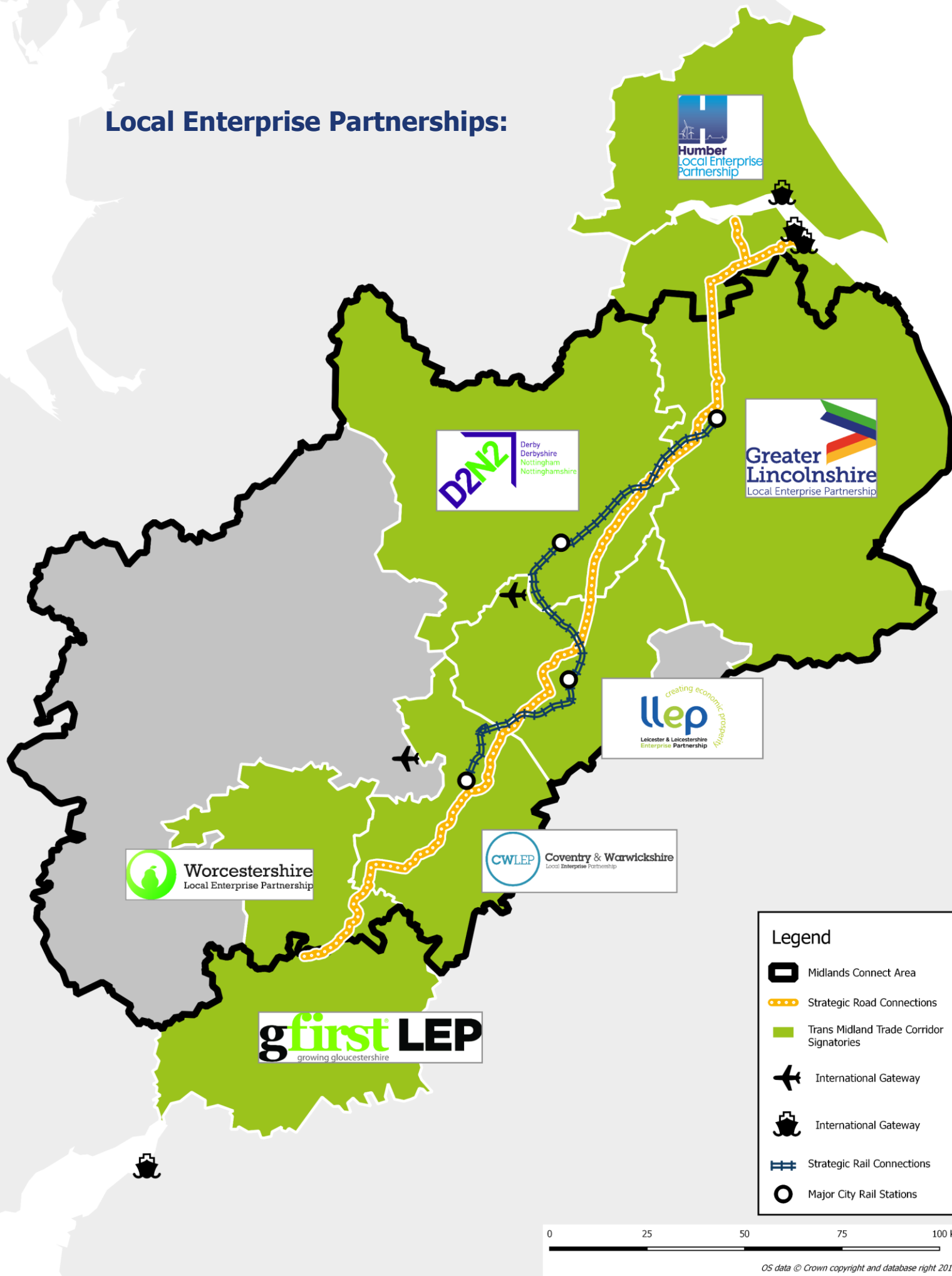


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Local Enterprise Partnerships:



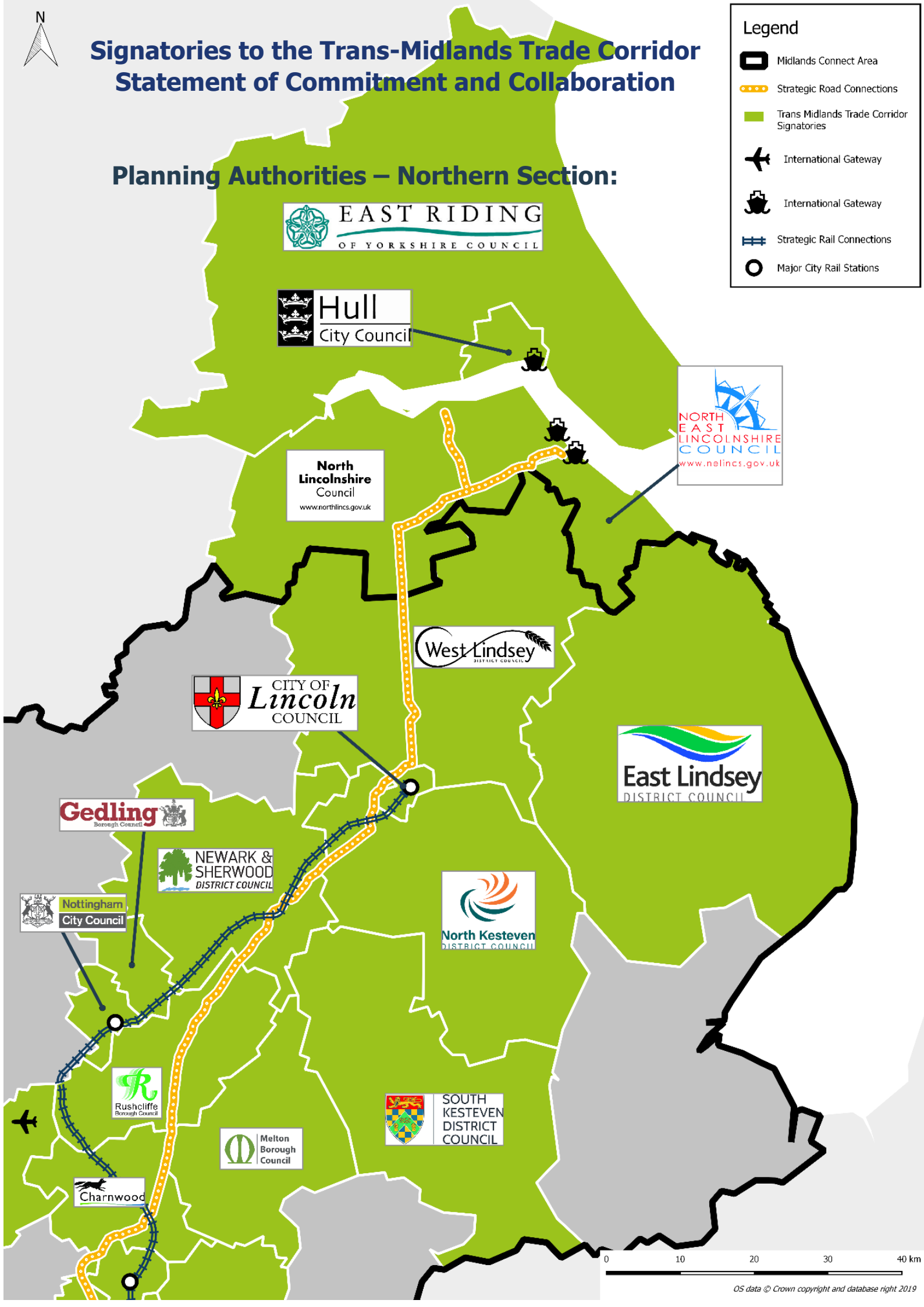


Signatories to the Trans-Midlands Trade Corridor Statement of Commitment and Collaboration

Planning Authorities – Northern Section:

Legend

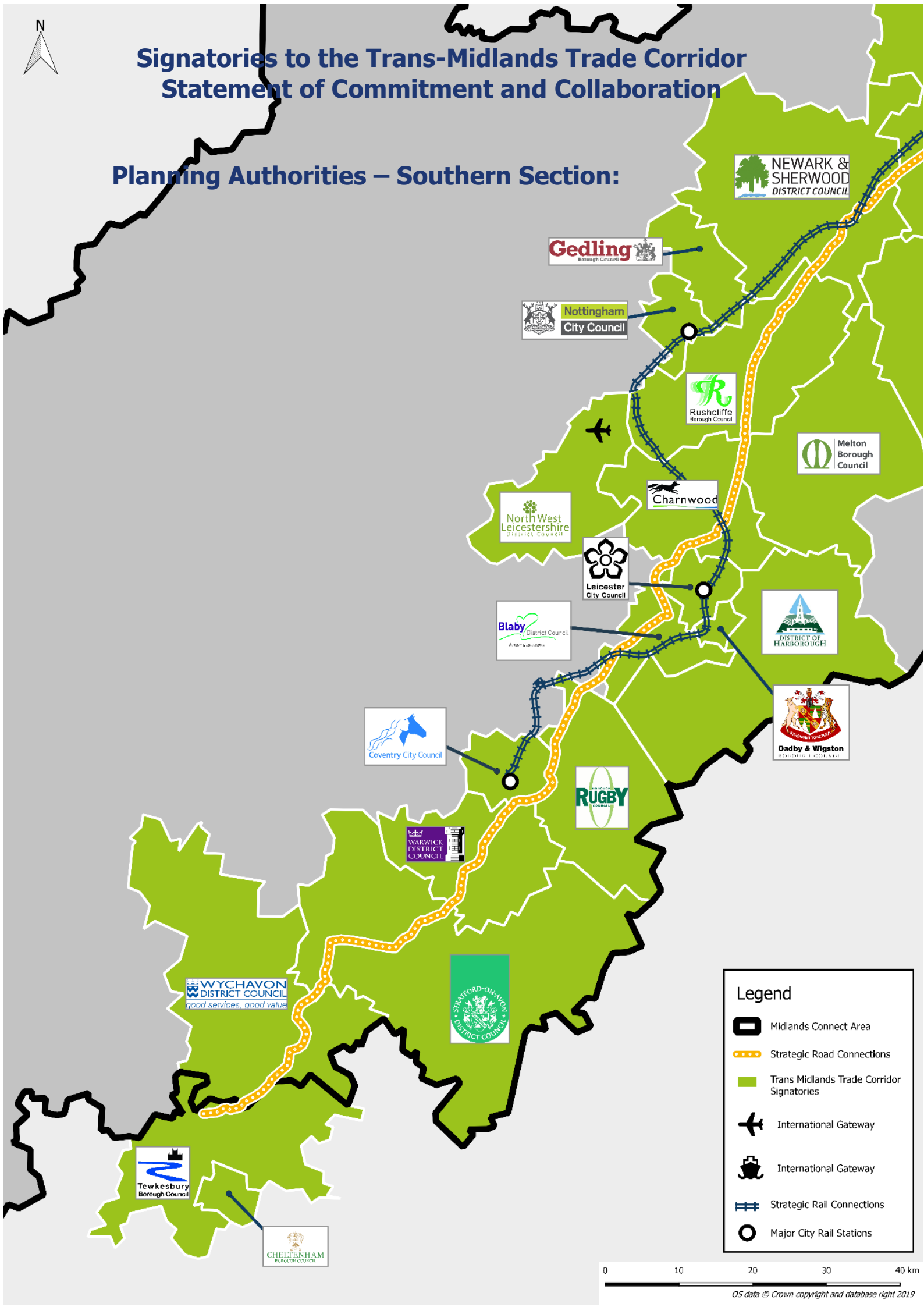
- Midlands Connect Area
- Strategic Road Connections
- Trans Midlands Trade Corridor Signatories
- International Gateway
- International Gateway
- Strategic Rail Connections
- Major City Rail Stations





Signatories to the Trans-Midlands Trade Corridor Statement of Commitment and Collaboration

Planning Authorities – Southern Section:



Legend

- Midlands Connect Area
- Strategic Road Connections
- Trans Midlands Trade Corridor Signatories
- International Gateway
- International Gateway
- Strategic Rail Connections
- Major City Rail Stations

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