

Business Plan 2020-2021

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About Us

Transport for the South East is a unique partnership for our region, bringing together local authorities, local enterprise partnerships, transport providers and other stakeholders to speak with one voice on the South East's strategic transport needs.

Our region – covering Berkshire, Kent, Hampshire, the Isle of Wight, Surrey, East Sussex and West Sussex – is the second most productive in the country behind London.

It is home to 7.5 million residents and more than 300,000 businesses and is our nation's key international gateway for people and goods. It boasts world-leading universities and research institutes, diverse towns and cities and stunning coasts and countryside. It is a great place to live, work, study, visit and do business.

Our focus is on ensuring that this success story continues. We do this by working with partners at a local, regional and national level to drive economic growth, improve quality of life and protect and enhance the environment through investment in a better, more sustainable transport network.



By speaking with one voice, our partnership can influence how, where and when investment takes place in the South East's transport network.

Our 2020/21 priorities

This will be a transformational year for Transport for the South East, marked by the publication of our thirty-year transport strategy and the submission of our proposal to government for statutory status.

Alongside these major milestones, we'll continue our technical programme, building on the work of the transport strategy to determine what schemes and initiatives might form the basis of our strategic investment plan for the region.

We'll strengthen relationships with the rail industry as we work more closely together on future plans for our region's railways and we'll continue to work with partners nationally and within the South East on how we can make better use of our roads.

We'll work with our partners in local planning authorities to close the gap that exists between transport and wider land-use planning and identify areas where the South East's leading universities can help us advance our work across a range of areas.

And, crucially, we'll help our partners understand the potential impacts of Covid-19, making sure our region's plans for the future are as robust as possible and focused on supporting economic recovery and sustainable growth.

Here's what we're working on over the next twelve months...



A note on funding

At the time of publication conversations were ongoing with the Department for Transport regarding a funding settlement for the 2020-21 financial year.

In view of this, we developed three budget scenarios – zero grant, £500,000 grant and £1m grant – and the elements of our technical programme that could be completed in each scenario.

We have started the financial year operating under the 'zero grant' scenario, enabling key pieces of the technical programme to be taken forward. Additional work will be commissioned should grant funding be received.



Our transport strategy: Turning vision into reality

At the heart of our work programme is our landmark transport strategy, which we will publish in autumn 2020.

The strategy sets out our partnership's thirty-year vision for the South East and how, with the right investment, we can grow the economy, improve quality of life and protect and enhance our environment.

To make that vision a reality, we're embarking on a series of geographic area studies and two thematic studies (covering future mobility and freight and logistics) to determine what the South East's priority transport schemes, initiatives and policies should be.

These will form the basis of our strategic investment plan – a blueprint for investment which we want to deliver with government and national bodies like Network Rail and Highways England. This is currently planned for publication in 2022.

2020/21 priorities

- **Submission of our transport strategy:** Following approval by our constituent authorities and Shadow Partnership Board, we intend to submit our transport strategy to government in autumn 2020.
- **Outer orbital area study:** We'll commission and complete the first of our five area studies, looking at the south coast from the New Forest to East Kent. Working with partners and stakeholders, we'll identify the priority schemes and initiatives to boost connectivity, improve journeys and support sustainable growth in our coastal communities.
- **Future mobility strategy and action plan:** Our transport strategy recommended the creation of a specific strategy and action plan for future mobility, ensuring our region is best placed to take advantage of new and developing transport technology. We'll commission and complete the strategy this year, overseen by a new future mobility steering group who will also monitor the delivery of the action plan.

Funding permitting

- **Further area studies:** Dependant on the level of grant funding we receive from DfT, we'll be able to start work to deliver up to two further area studies this year.
- **Freight, logistics and international gateways strategy:** Our transport strategy also highlighted the need for a specific strategy focusing on freight and logistics in our region as well as the opportunities to develop better connections to our ports, airport and international rail links. The South East is the UK's principal international gateway for people and goods; this work will be critical in identifying how we can support national economic recovery and future sustainable growth.



Understanding the impacts of Covid-19



To better understand the potential impacts of Covid-19 on people and businesses in the South East we have commissioned a study looking at how various possible scenarios could affect our transport network and investment priorities.

The study uses the South East Economy and Land Use Model (SEELUM) developed for our transport strategy, which simulates the interaction of transport, people, employers and land-use over periods of time. We're working with stakeholders from across the region to ensure we understand what each potential scenario could mean for them.

By allowing us to model potential future scenarios related to the easing of lockdown measures, we can test how effective transport investment will be in helping the South East's economy recover and grow.

The outputs from this work will inform our upcoming area and thematic studies, ensuring the schemes and initiatives put forward deliver the best outcomes for our region in terms of economic recovery and sustainable growth.

Driving sustainable investment in our roads

We will continue working with our partners to make the strongest possible case for investment in our road network to support sustainable economic growth.

That means schemes which support new housing and employment opportunities, provide improved walking, cycling and public transport infrastructure, help reduce congestion and improve air quality and make our streets safer for everyone.

Working with the Department for Transport and Highways England, we will support the development and delivery of the RIS2 programme for 2020-25 and begin the process of shaping the next five-year funding programme to ensure that investment in the Strategic Road Network supports our vision for the South East.

We will also continue to support the progress of regional priority Major Road Network (MRN) and Large Local Major (LLM) schemes, part of a £650m package submitted to government by Transport for the South East in 2019.

2020/21 priorities

- **Major Road Network and Large Local Major schemes:** One of our priority MRN schemes has so far been approved to move to the next stage of development, along with two LLM schemes. Together these schemes would see government investment of more than £220 million in our region. We're working with our constituent authorities and DfT to support the progression of these schemes and the remaining priority schemes we submitted.
- **Strategic Road Network – RIS2 and RIS3:** Three of the 16 priority schemes we submitted for consideration as part of RIS2 have been approved to move to construction. A further eight were identified as 'pipeline' schemes to be developed for consideration as part of the 2025-30 funding window. We will work with our constituent authorities and Highways England to ensure RIS2 schemes are delivered and pipeline schemes are in the strongest position for inclusion in the RIS3 programme.
- **Strategic partnership with Highways England:** We will continue to build a closer and more collaborative relationship with Highways England, enabling us to influence the development of future funding programme, utilise their expertise to best effect locally and share information to help them build a better national picture. The geographic alignment of our area studies with some of Highways England's area studies provides the opportunity to work together to develop consistent methodology and data collection which will be beneficial to us both.

Planning a better railway

This year we will further strengthen and formalise our relationship with Network Rail, delivering a joined-up programme of work in the South East to plan a better rail network for people and businesses.

Our work will be underpinned by a Memorandum of Understanding between TfSE and Network Rail, setting out collaboration in five key areas.

- 1** Facilitating modal shift to rail
- 2** Achieving carbon 2050 targets
- 3** Efficiently aligning taxpayer-funded resources
- 4** Working openly and in good faith
- 5** Better integrated land use planning through partnership working at local, regional and national level

As we move into the next phase of our technical work, we will ensure Network Rail and train operators play their part in developing our area and thematic studies and that the needs of infrastructure owners, operators and passengers are considered at all stages.

The Covid-19 pandemic has already led to a significant change in the rail franchising system. It remains unclear what further change will come following publication of the Williams Review – but we are ready to play our part in ensuring our region's railway delivers for the South East's people and businesses.

2020/21 priorities

- **Strengthening our partnership with Network Rail:** We will sign a Memorandum of Understanding with Network Rail setting out our shared commitment to joint working.
- **Area and thematic studies:** We will work closely with stakeholders from across the rail industry in the development of our area and thematic studies, ensuring we identify the role that rail can play in achieving our strategic objectives.
- **Making the case for enhancements:** We will continue to support the progression of proposed rail enhancement schemes, including significant capacity and performance improvement schemes centred on East Croydon and Woking and potential connectivity and journey time improvements in coastal Kent and East Sussex via High Speed 1.
- **Responding to the Williams Review:** We will work in collaboration with government and the rail industry to implement any relevant outcomes from the Williams Review.



We want to formalise our role as the region's voice for strategic transport by become a statutory sub-national transport body (STB). Statutory status would give us direct influence over government decisions on transport issues and the tools to deliver our transport strategy.

Becoming a statutory body

We have developed a proposal for statutory status which sets out the strategic and economic case for a statutory STB for our region and the specific powers and responsibilities our partners want us to have.

This includes the ability to work across local government boundaries to deliver joined up solutions, like integrated smart ticketing or air quality management zones, which are best tackled at a regional scale.

We will also begin to establish more formal governance arrangements in preparation for the wider constitutional changes needed should we gain statutory status.

2020/21 priorities

- **Submit our proposal to government:** We intend to submit our proposal to government for statutory status in autumn 2020, alongside our transport strategy.
- **Set up new governance arrangements:** A new Governance and Audit Committee will provide independent review and assurance to the board on financial reporting and governance, while a new Scrutiny Committee will provide a focus for the scrutiny and challenge of our decision-making.
- **Develop options for our future operating model:** We will commission a substantive piece of work looking at our potential future operating model as a statutory organisation.
- **Attain certainty of funding:** We will make the case to government for a multi-year financial settlement – rather than the current annual settlement – to enable us to efficiently and effectively plan our work programme.





Strengthening our relationships

Partnership working is at the heart of what we do. We will continue to nurture and build relationships with a wide and growing group of stakeholders to help embed our strategy across the South East and build support and advocacy.

Our Communications & Stakeholder Engagement team are responsible for this workstream, ensuring we provide our partners with regular news and updates and making sure we identify and build mutually beneficial relationships with people and organisations who share our vision for the future.

2020/21 priorities

- **Transport user and action groups:** Working primarily through our Transport Forum, we will build new and strengthen existing relationships with a range of organisations and groups representing the interests of transport users and the environment.

- **Local planning authorities:** Better integration of transport and land-use planning is a key issue for our partners and stakeholders. Local planning authorities are now represented on our Shadow Partnership Board and our Transport Forum. An event in autumn 2020 focused on our local planning authorities will form part of a programme of work to build on those relationships.

- **Universities:** Our area is home to world-class teaching and research institutes with specialisms in areas relevant to our transport strategy. Initial engagement with university leaders has shown a strong appetite for collaboration; we will focus on turning that enthusiasm into a clear programme to deliver tangible results.

- **Members of Parliament:** There are 71 MPs in the Transport for the South East area representing more than 7.5 million constituents and 300,000 businesses. Their support for our work will be invaluable in helping secure statutory status and continuing to make the case for investment in our region.

- **Potential funders and financiers:** In order to limit costs to the taxpayer and improve the deliverability of our future strategic investment plan, it's vital that we explore options and opportunities to leverage third-party funding and financing.

Resources

Transport for the South East is funded by contributions from our constituent authorities and grant funding from the Department for Transport.

This mixed approach to funding delivers best value for our partners and taxpayers and enables a lean, efficient team to deliver against agreed priorities.

Our income

Operational and staff costs are supported by contributions from our constituent local transport authorities, which for 2020-21 amounted to £498,000. The approach for calculating contributions was developed with members and reflects the relative sizes of different member authorities.

Our technical work programme is funded by a grant from the Department for Transport. As mentioned on p5, our funding settlement for the 2020-21 financial year has not been confirmed at the time of publication. In view of this, we have developed three potential budget scenarios and the elements of our technical programme that could be completed in each scenario.

We have started the financial year operating under the 'zero grant' scenario, which still enables key pieces of our technical programme to be commissioned or delivered. A summary of the three scenarios is included on the next page.

Our team

Transport for the South East has a small secretariat of 7.8 full-time equivalent employees. The team works closely with, and draws additional support from, officers from our constituent authorities and LEPs via officer working groups. This approach to partnership working ensures Transport for the South East provides maximum value to our partners and taxpayers.

In the event that we receive sufficient grant funding from DfT, our board has approved recruitment of additional technical staff to support the delivery of the technical programme.



Budget scenarios 2020/21

	Scenario 1: Zero DfT grant	Scenario 2: £500k DfT grant	Scenario 3: £1m DfT grant
INCOME			
Local contributions*	£382,000	£382,000	£382,000
DfT grant	£0	£500,000	£1,000,000
Reserves	£263,887	£263,887	£263,887
Carry forward	£226,399	£226,399	£226,399
Committed funding	£557,725	£557,725	£557,725
TOTAL INCOME	£1,430,011	£1,930,011	£2,430,011
EXPENDITURE			
Staffing			
Core team	£530,000	£530,000	£530,000
Additional staff**	£0	£50,000	£125,000
Technical programme			
Transport strategy	£20,000	£20,000	£20,000
South East economy and land use model (SEELUM)	£20,000	£20,000	£20,000
Carbon assessment	£50,000	£50,000	£50,000
Area studies – tranche 1	£350,000	£700,000	£700,000

	Scenario 1: Zero DfT grant	Scenario 2: £500k DfT grant	Scenario 3: £1m DfT grant
EXPENDITURE			
Technical programme			
Area studies – tranche 2	£0	£0	£350,000
Future mobility strategy	£110,000	£110,000	£110,000
Freight scoping	£7,725	£7,725	£7,725
Freight and logistics strategy	£0	£75,000	£75,000
Modelling	£6,000	£6,000	£6,000
Strategic investment plan brief	£10,000	£10,000	£20,000
Project View	£12,000	£12,000	£12,000
Other strategy costs	£15,000	£25,000	£35,000
Proposal for statutory status	£41,700	£41,700	£41,700
Operational expenses	£20,199	£20,199	£20,199
Communications and engagement	£43,500	£43,500	£43,500
Reserves	£193,887	£208,887	£263,887
TOTAL EXPENDITURE	£1,430,011	£1,930,011	£2,430,011

* For accounting reasons, local contribution payments received before the start of the current financial year have been included in the budget 'carry forward' from 2019-20.

** Additional headcount is reliant on receiving sufficient DfT grant funding.

Looking to the future

We entered this financial year amid an unprecedented and unpredictable public health crisis which has fundamentally changed the fabric of everyday life in this country.

Some of these changes will stick while others will fade away as we settle into the 'new normal'. Our challenge, as we begin our area studies and start to get a picture of the priority schemes and initiatives which will form our strategic investment plan, is to work out how transport investment can respond to these changes to support economic recovery and sustainable growth.

These are challenging times for everyone – for the South East's 7.5m people, for its 300,000 businesses, for our partners in local authorities and local enterprise partnerships and for government, which faces huge pressure on its ability to fund the projects, schemes and initiatives that we know can make a real difference to people's lives and livelihoods.

That's why it's so important that Transport for the South East is able to continue its journey as a statutory body – a strong and empowered champion for investment in our region, working in partnership locally, regionally and nationally to deliver our shared vision for a better future.

Cllr Keith Glazier
Chair, Transport
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