

# Comprehensive Spending Review 2020

Transport for the South East  
submission

September 2020



# About Transport for the South East

Transport for the South East (TfSE) is the sub-national transport body for the South East of England. Our partnership brings together 16 local transport authorities, five local enterprise partnerships, 46 district and borough authorities alongside a range of stakeholders from the worlds of transport, business and the environment.

Together, we're dedicated to creating an integrated and sustainable transport system that makes the South East more productive and competitive, improves the quality of life for all our residents and protects and enhances our unique natural and built environment.

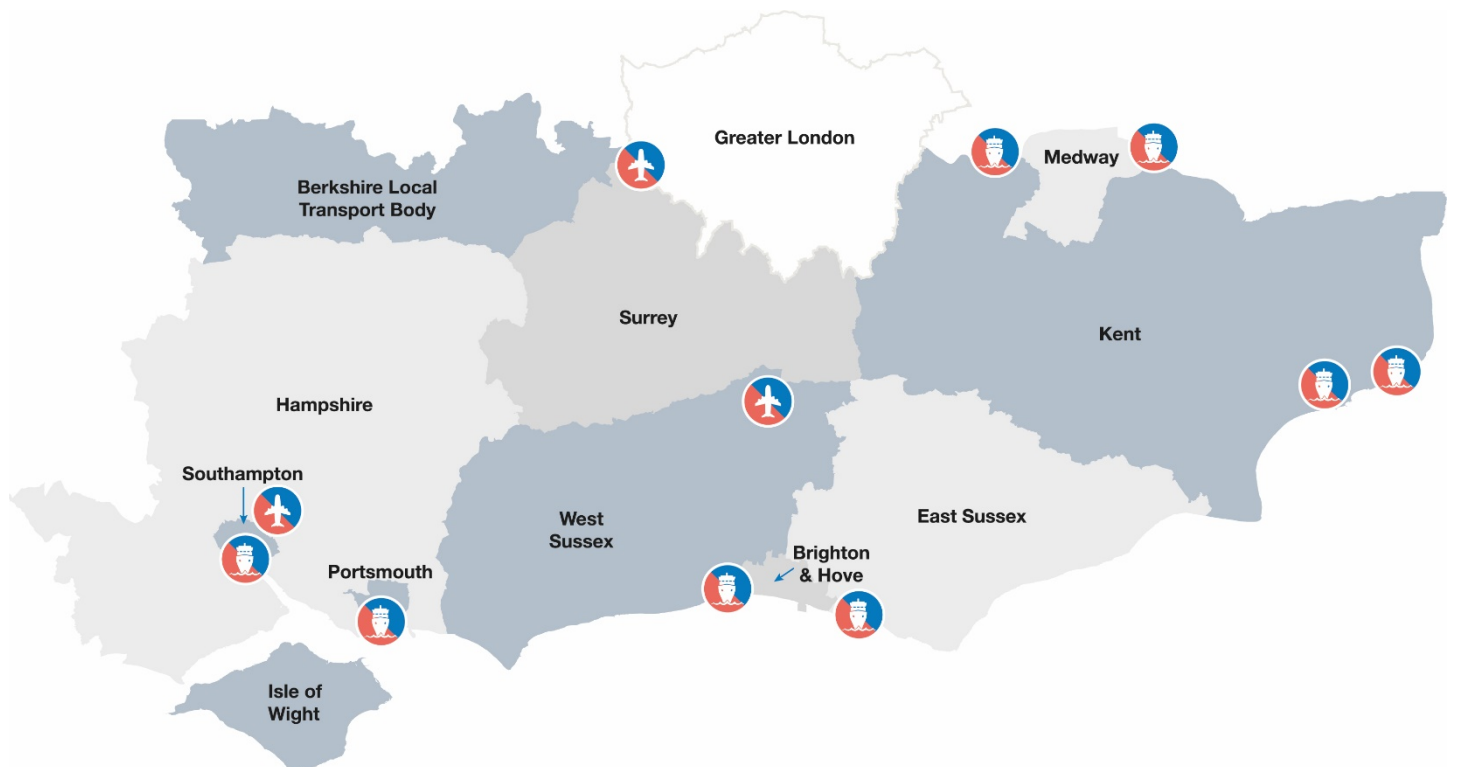
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**By speaking with one voice on our region's transport priorities, we're able to make a strong case for the investment the South East needs.**

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We do this by working in partnership at a local, regional and national level. Our small team works closely with, and draws additional support from, officers from our constituent authorities and LEPs while our funding comprises contributions from our constituent authorities alongside grant funding from the Department for Transport.

This mixed funding model, coupled with our commitment to partnership working, enables a lean, efficient team to deliver against agreed priorities while providing best value to our partners, government and taxpayers.



## Our ambition

The South East is a powerful motor for national prosperity, adding more to the UK economy than any region outside London. Our ports, airports and cross-Channel rail links connect Britain to Europe and the rest of the world. Our roads and railways help tie the country together. Our people and businesses drive innovation across a range of high-growth sectors and industries.

Transport for the South East's focus is on ensuring that success story continues, working in partnership to deliver a safe, sustainable and integrated transport system that benefits people and businesses in our region and across the UK.

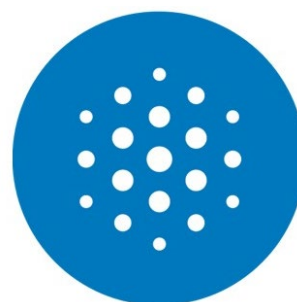
At the heart of this is our thirty-year **transport strategy**, setting out a bold vision for the South East in 2050 and a framework for investment to help us achieve it. The strategy was published in summer 2020 following more than two years of development with our partners and stakeholders including a three-month public consultation.



**£300bn GVA boost to the UK economy**



**500,000 new jobs**



**Net-zero carbon emissions by 2050 at the latest**

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Our transport strategy is an important waypoint on a longer journey, culminating in the publication of our **strategic investment plan** in 2022. This will set out, for the very first time, a prioritised programme of investment for our area, created by those who know it best.

The building blocks of the strategic investment plan will come from a series of area studies, the first of which are now under way. These will see us working with partners at a local level to understand the specific schemes and initiatives which will help us deliver our vision.

We'll also feed in the results of two key thematic studies – covering future mobility and freight, logistics and international gateways – to build a comprehensive, effective and futureproof investment plan for our region and the 7.5 million people who live and work here.

To do all this, we are seeking a **multi-year funding commitment** from government in the forthcoming spending round which will enable us to complete our work in a timely, efficient and effective way.

# Our achievements

Transport for the South East has quickly emerged as a powerful and effective partnership for our region. Since 2017, we have delivered consistently against the priorities we have agreed with the Department for Transport and added significant value to partners and stakeholders.

Transport for the South East has secured £2.825 million from the Department of Transport (DfT) over the last three financial years to support the delivery of our technical programme. This has been used to produce our transport strategy and supporting documentation, including our Economic Connectivity Review, analysis of Covid-19 scenarios and work on decarbonisation.

During this period, we have also brought in £500,000 per annum in contributions from our 16 local authority partners. This has been used to recruit a small secretariat, support our core functions (including communications, stakeholder engagement and operational costs) and deliver elements of the technical programme not covered by grant funding.

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## Economic Connectivity Review

Published in 2018, the review marked the first major component of our transport strategy for the region. It analyses current and future economic activity in the South East and its connections to major centres beyond the region. Areas covered include economic hubs and industrial clusters, high-value industries, connectivity needs and challenges, the shape of labour markets, international gateways and transport corridors within the South East and regional scenarios for growth.

## Transport strategy

Our transport strategy sets out a thirty-year framework to guide decisions about where, when and how money is invested in the South East's transport network. The strategy is clear that 'business as usual' is not a sustainable way forward. For this reason, we have adopted a different approach to traditional transport strategies – setting out a vision for the future we want and how transport investment can help us achieve it, rather than endlessly chasing forecast growth in demand for transport (particularly on our roads).

## Highways investment priorities

Transport for the South East has played a critical role in the formation of the Major Road Network (MRN) in our region and the development of priorities investment programmes across the MRN and the Strategic Road Network (SRN), a number of which have been successful. We have done this in partnership with our local authorities and LEAs, Highways England and DfT, providing a clear, evidence-based pipeline for progression and delivery. We are also working with Highways England to align elements of our strategic work, developing consistent methodology and data collection which will benefit us both.

## Planning a better railway

We have formalised our relationship with Network Rail through a Memorandum of Understanding. This has enabled Network Rail to use our transport strategy data to inform cost/benefit analysis of potential network improvements, enabling the wider economic benefits to be captured as part of its planning process. We also submitted evidence to the Williams Review on behalf of our partners, making a strong case for an increased role for sub-national transport bodies, and have worked with partners to support business case development for the extension of high-speed services in coastal Kent and East Sussex.

## Covid-19

We have completed a study looking at how various possible Covid-19 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.

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 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.

### **Proposal to government for statutory status**

In July 2020, following the completion of our transport strategy, we submitted a proposal to government for statutory status. The proposal had been developed with our partners and has their full backing, with support also received from a wide and varied range of stakeholders including MPs, major employers, ports and airport, transport operators, chambers of commerce and more. Our bid makes a compelling strategic and economic case for a statutory transport body for our region and sets out the powers we need to deliver our strategy and realise our vision.

### **Decarbonisation**

We have commissioned a piece of work which will enable us to assess the impact specific schemes identified in our area studies will have on the South East's carbon emissions. This includes modelling alternative scenarios for conversion to electric vehicles and recommendations on the policy interventions that will be needed to ensure that we achieve net zero by 2050. We have shared initial findings with the DfT with a final report to follow later this year.

### **Stakeholder engagement**

Partnership working is at the heart of everything we do. Over the last three years we have built productive relationships with a range of people and organisations who can help us achieve our objectives and put in place a programme of high-quality communications. We have broadened membership of our Transport Forum, which provides insight and advice to our Board, identified collaboration opportunities with our region's world-class universities and set up a private sector innovation forum to discuss potential future funding and financing.

**Our work programme to date has been delivered with minimal resource, both in terms of staffing and revenue funding. Our lean and efficient structures and governance mean that we are well placed to progress our technical programme to the next level – setting the prioritised programme of investment for the South East and building strong business cases to attract the investment we need.**

# Our funding requirements

We are seeking **long-term funding certainty** in the forthcoming spending round. This will enable us to complete the work on our strategic investment plan and progress the development of schemes to transform our economy, improve the quality of life of our residents and protect and enhance our environment.

Appendix A sets out our funding requirement for the three years from 2021/22 to 2023/24. This includes core costs and estimated costs to progress our technical programme, including the completion of our strategic investment plan and the development of relevant business cases for key schemes and projects.

This work will provide the Department for Transport with a clear and evidenced picture of the South East's transport investment priorities, including for the Roads Investment Strategy, Major Road Network and rail enhancements pipeline.

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## DELIVERING OUR TECHNICAL PROGRAMME

### Transport strategy £350,000

We need to maintain and update the evidence base behind our transport strategy, especially given the ongoing impacts of Covid-19 on our economy and transport networks. This strand of our work programme will enable us to update our Economic Connectivity Review and support the development of our innovative ProjectView data tool, which brings together in one place a wide range of land use planning and transport planning data from across the TfSE region.

### Area studies £700,000

A series of geographic area studies will identify the specific schemes, projects and policy initiatives to deliver our strategy in each part of our region. They will assess the impact of these interventions against the transport strategy's economic, social and environmental goals and measure their contribution towards our carbon reduction trajectory. We have secured funding from the Department for Transport to deliver three of the five studies and require additional funding to complete this work.

### Thematic studies £450,000

Work is underway on two thematic workstreams that will support the delivery of the area studies. The future mobility strategy and the freight, logistics and international gateways strategy are funded by the Department for Transport and will form an important part of the evidence base for our strategic investment plan. However, there is a need to undertake further thematic studies on key areas of challenge and opportunity, for example:

#### Rural mobility

This study would provide a valuable link with the DfT's forthcoming rural mobility strategy. It would identify the barriers to rural accessibility to employment, education and other key services in our region and develop a range of solutions across traditional and new mobility and digital – including reducing the need to travel.

#### Rail

This study would determine how rail will help to deliver the vision and objectives set out in our transport strategy, looking at journey times, service levels, reliability and punctuality, route and track upgrades to cater for growth in passengers and freight, rolling stock, station access and facilities, and integration with wider transport networks.

#### Smart ticketing/MaaS

Building on work taking place with the Rail Delivery Group, this study would identify how the rail Account Based Ticketing structure would be delivered locally and how to integrate other modes including bus and potentially shared transport and micromobility. The outcome would be a roadmap and funding requirement to implement in the South East.

### **Strategic investment plan** £150,000

The outputs of the area and thematic studies will be brought together and prioritised to feed into a strategic transport investment plan for the South East. This will be developed in partnership with stakeholders from across the region including Highways England and Network Rail. We know that public investment alone will not be able to meet the scale of investment needed to deliver our plan, so we are already working with the private sector to consider alternative funding and financing models.

### **Analytical framework** £1.55 million

An analytical framework is needed to produce the robust evidence required to support the case for investment. Building on the evidence base developed to support the transport strategy and area studies, it will include the data, modelling and planning tools needed to support the development of business cases for the interventions identified in the strategic investment plan. To ensure maximum added value, we will develop the framework collaboratively so it can be used by our constituent authorities and other key stakeholders and provide the basis for a consistent approach to data, modelling and appraisal in our area.

### **Implementation** £3 million

The interventions set out in the strategic investment plan will need to be subject to their own assessment and business case development, either as individual schemes or as packages of interventions. Evidence, data and analysis generated from the analytical framework will be used to support the development of business cases. These will be developed in line with HM Treasury's advice on evidence-based decision making set out in the Green Book and use its best practice five case model approach.

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## **CORE COSTS**

As set out above, Transport for the South East secures contributions from our 16 local transport authorities totalling almost £500,000 per annum which is used to pay the staffing costs for our 7.8 FTE staff.

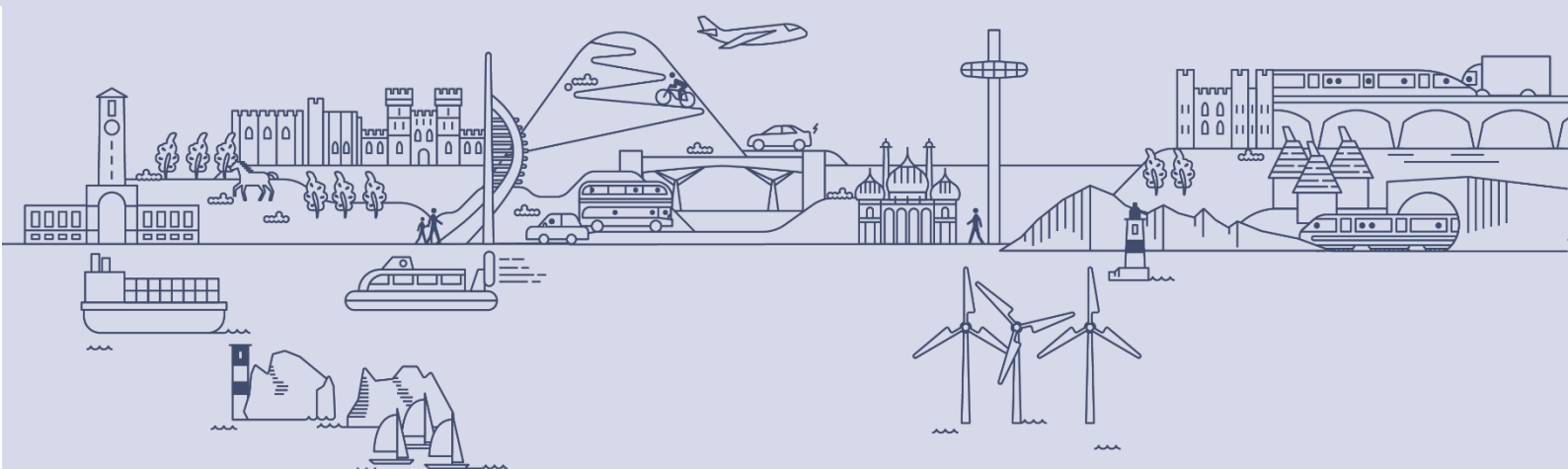
Our core costs proposal includes capacity for additional staff resource in technical and support functions. This would maintain a lean and efficient secretariat, whilst allowing us to increase our capacity to engage with a wider variety of stakeholders, increase our communications activity and deliver the technical programme outlined above. Scope has been included in our proposal for year-on-year inflationary increases.

We have also included allowances for operational costs. At present, our back-office functions are provided by East Sussex County Council as our accountable body. This arrangement is unsustainable owing to the increasing demands Transport for the South East is placing on services such as HR, procurement and finance. We have therefore included scope for contributions to the local authority to cover the costs associated with these critical services. In addition to this, there will be a requirement for Transport for the South East to pay for the office space it uses in East Sussex County Council offices.

The amount requested for core costs averages a total of **£1 million per annum** over the next three years.

**Ours is a bold and ambitious transport strategy for the South East. It's the culmination of unprecedented joint working by partners from across the public and private sectors. And it sets out, for the first time, a shared vision of a more connected, productive and sustainable future for our region and a framework for achieving it.**

**But delivering on our ambition will require more than just partnership working. For this strategy to succeed we need long-term, secure investment in Transport for the South East. We look forward to working with the Government and the Department for Transport to make this happen.**





## Appendix A

### Transport for the South East three-year funding request, 2021/22 - 2023/24

	2021/22	2022/23	2023/24	Notes
Core costs	£960,000	£1,000,000	£1,040,000	Includes all operational and back-office costs and any additional staffing costs (existing salaries are covered by funding from constituent authorities)
Transport strategy	£50,000	£50,000	£250,000	Ongoing Project View costs, plus small contingency for additional evidence base work e.g. Covid-19 analysis, carbon assessment, etc.
Area studies	£700,000	-	-	Completion of the two remaining area studies
Thematic studies	£150,000	£150,000	£150,000	Rural mobility, rail, smart ticketing/MaaS
Strategic investment plan	£150,000	-	-	Will identify priority schemes for the region and set out a clearly defined approach to funding and financing
Analytical & assurance framework	£750,000	£750,000	£50,000	Will support the development of the business cases arising from the SIP
Implementation	£500,000	£1,500,000	£2,000,000	Will support the mobilisation and implementation of priority schemes identified in the area and thematic studies
<b>Total</b>	<b>£3,260,000</b>	<b>£3,450,000</b>	<b>£3,490,000</b>	
			<b>£10,200,000</b>	



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