

Covid-19 recovery scenarios: Opportunities for a more prosperous and sustainable South East

Summary of key insights

January 2021



About our report

Our report aims to inform and support decision makers as they balance options and trade-offs for a more prosperous and sustainable, South East.






It was developed during a period of rapid change and we recognise that some content may become outdated quickly. At the time of writing it represents our assessment of

- how Covid-19 will impact upon travel in the region;
- recommendations for how to address challenges and seize opportunities to make decisions;
- and how to plan and build a more resilient South East in this time of great uncertainty.

There are a number of particular insights about how we might interpret and make use of the findings of this work when developing investment priorities:

- Speed of recovery
- A new relationship with London
- Importance of polycentricity
- Rising inequality
- Technological and behavioural acceleration

You can read the full report [here](#).

	Speed of recovery 	New relationship with London 	Importance of polycentricity 	Rising inequality 	Technological & behavioural acceleration 
Certain	<p>Covid-19 has had the most significant economic impact on the South East for a generation</p>	<p>In the short term, commuting trips to London from the South East have dropped precipitously</p>	<p>Thus far the medium-sized towns and cities in the South East have been more resilient to Covid-19 than larger comparators</p>	<p>Covid-19 is hitting those at the bottom of the income scale the hardest and has exacerbated inequality</p>	<p>The numbers of individuals who are working from home has increased dramatically, along with delivery vehicle movements associated with online retail</p>
Relatively sure (can forecast)	<p>The economy will rebound over the course of years rather than months</p>	<p>The increased time spent in the South East has provided a relative boost to the regional economy</p>	<p>Short-term investment in active transport and public transportation will make them healthier, more attractive places to live</p>	<p>Those at the bottom of the income scale will find it hardest to get back 'on their feet' after the pandemic</p>	<p>The numbers of people working from home will decrease compared with the height of the pandemic but remain higher than pre-pandemic levels</p>
Realistic possibility	<p>The economy will rebound relatively well (vigorously) due to pent-up demand</p>	<p>This will be a permanent shift, which restructures the relationship that the South East has with London</p>	<p>There will be higher long-term population growth in these smaller urban centres, relative to larger comparators</p>	<p>The gap between the most deprived places in the South East and the rest of the region will increase. Drop in mean income amongst the least well-off will lead to a drop in public transport use</p>	<p>Urban centre office spaces are no longer required in the scale and style that they currently exist</p>
Uncertain	<p>What structural changes will occur to the economic makeup of the South East</p>	<p>London's daytime population will not recover to pre Covid-19 levels and there will be a permanent shift in the UK's economic geography</p>	<p>All individuals living in cities in the South East will live in '15-minute cities'</p>	<p>Long-term inequality will have a significant impact upon the 'liveability' of urban spaces</p>	<p>New technologies will be used to ensure that city-centre spaces are car-free, people-friendly spaces used for recreation and entertainment</p>



Speed of recovery

The economic recovery from Covid-19 is likely to take place over years, rather than months.

We estimate that, even by 2023, the GVA of the South East's economy could be up to £6bn a year less than pre-Covid forecasts and between £10bn and £18bn away from the levels of growth set out in our transport strategy.

The short-term economic damage caused by the pandemic should not be used as an indicator of what these long-term changes will be.

Many of the sectors which have been hit the hardest – hospitality, tourism, entertainment and the arts – are fundamental to the functioning of a healthy society and are anticipated to return in the South East once the economy has recovered.

Many of these factors are beyond the control of TfSE and the area studies, which should aim to understand how patterns of working and commuting may change in the future, looking to plan for these changes, rather than changes in what these jobs actually are.

Ultimately the long-term nature of the planning which TfSE undertakes means that it needs to envision a society which has returned to a 'new normal', while accepting that this may be several years away.

Certain

Covid-19 has had the most significant economic impact on the South East for a generation

Relatively sure
(can forecast)

The economy will rebound over the course of years rather than months

Realistic
possibility

The economy will rebound relatively well (vigorously) due to pent-up demand

Uncertain

What structural changes will occur to the economic makeup of the South East



A new relationship with London

Covid-19 has changed the nature of the relationship with London, with many people who formerly worked in the capital now working from home in the South East.

Due to its geographical proximity, the South East has traditionally had a strong relationship with London. This is particularly true of commuter towns with good rail connections to the capital.

In the future there may be an increase in the number of individuals relocating permanently to the area from London. This is likely to bring benefits to the South East by boosting its regional economy but will also place more pressures on an already overstrained housing market.

The area studies must consider carefully how this new relationship with London is going to influence travel patterns across the South East (for example, the demand for rail travel and the case for enhancing the rail network), and encourage housing development in areas which are likely to accommodate this increased population.

Radial journeys, which formerly made up a significant proportion of the journeys in the South East, may now become less important, with consequentially greater need for investment in 'orbital' components of the transport network.

Certain

In the short term, commuting trips to London from the South East have dropped precipitously

Relatively sure
(can forecast)

The increased time spent in the South East has provided a relative boost to the regional economy

Realistic possibility

This will be a permanent shift, which restructures the relationship that the South East has with London

Uncertain

London's daytime population will not recover to pre Covid-19 levels and there will be a permanent shift in the UK's economic geography



Importance of polycentricity

The relatively large number of medium-sized towns and cities across the South East has helped the region's resilience as compared to other UK regions with larger urban hubs.

Individuals are more likely to be able to move safely and efficiently around these smaller urban areas using active travel modes rather than public transit. This tallies well with TfSE's desire to create 'great places to live' and 'put people first' as outlined in the recent transport strategy. TfSE must continue to pursue this strategic direction, newly supported by the evidence that it aids regional economic and social resilience.

To help these regions thrive into the future, investment in 'intermediate length' transport journeys will be important, for example, reallocating rail capacity to focus on local services, encouraging express bus services (possibly through the segregation of traffic lanes into explicit 'expressway' lanes) and the provision of more road space for active modes like walking and cycling.

With more dispersed patterns of travel temporally and spatially, it is harder to accommodate these travel patterns by frequent, fixed-route public transport. Existing fixed route transport may also be made less viable with fewer peak trips.

In the longer term, if the population of these towns and cities is to increase beyond current plans, there will need to be investment in transit-orientated development, providing the housing needed for population expansion without increasing usage of private cars.

Certain

Medium-sized towns and cities in the South East have thus far been more resilient to Covid-19 than larger comparators

Relatively sure
(can forecast)

Short-term investment in active transport and public transportation will make them healthier, more attractive places to live

Realistic possibility

There will be higher long-term population growth in these smaller urban centres, relative to larger comparators

Uncertain

All individuals living in cities in the South East will live in '15-minute cities'



Rising inequality

The South East already has high levels of inequality which are likely to worsen as a result of the pandemic.

Covid-19 has affected those at the lower end of the income scale the hardest. More deprived, lower-income sections of the economy have borne the brunt of the economic shock and will take the longest time to recover.

Transport is an 'economic enabler' – it allows people better access to opportunities, helping to encourage economic prosperity. Even while public transport demand is suppressed, sustaining and increasing public transport capacity, accessibility, and connectivity (including shared mobility and on-demand service) is needed so that people who are reliant on public transport and need to travel can. It is also important for managing congestion in our towns, cities and along major corridors.

Investment will have direct and wider benefits for the economy, society and the environment. Support for public transport is required for maintaining levels of service and growing demand as rapidly as possible. Further measures could include the use of new technologies such as integrated ticketing to encourage wider use of services, bus priority measures and mass rapid transit.

Overall, area studies must make use of their influence to provide good connections for individuals living in areas of high deprivation to good job opportunities, carefully assessing how transport provision can help communities which have been hardest hit by Covid-19 to recover more rapidly.

Certain

Covid-19 is hitting those at the bottom of the income scale the hardest and has exacerbated inequality

Relatively sure
(can forecast)

Those at the bottom of the income scale will find it hardest to get back 'on their feet' after the pandemic

Realistic
possibility

The gap between the most deprived places in the South East and the rest of the region will increase. Drop in mean income amongst the least well-off will lead to a drop in public transport use

Uncertain

Long-term inequality will have a significant impact upon the 'liveability' of urban spaces



Technological & behavioural acceleration

Covid-19 has accelerated many technological developments which were already reshaping our society.

Some of these changes have been and will be positive for society...

- Investment in digital technology has the potential to facilitate economic resilience and recovery as partially evidenced from increased levels of home working and remote access to services and amenities – “digital as a mode”.
- Increased homeworking may reduce commuting trips and longer distance trips which cause particularly high levels of pollution.
- In the short-term, greater working from home has lowered the region’s carbon emissions.

However, some of these developments will pose problems...

- Greater use of online retailers and online forms of social interaction may ‘hollow out’ the public spaces (such as high streets) around which society is built.
- Longer but less frequent commutes may lead to a net increase in travel and carbon emissions.
- Increased homeworking may also reduce trip-chaining (e.g. combining a commute trip with a school drop-off or grocery shop) – however, these and other trips still need to be made and there could be an increase in trips made outside of the AM and PM peaks.
- Also, with a car more likely to be available at home most of the day, household members may make more trips by car (because they can now).

Ultimately, increased homeworking is likely to be environmentally beneficial – therefore improvements to digital (to ultra-fast broadband) and mobile (to 5G) connectivity are essential to ensure the potential for this is maximised.

Certain

The numbers of individuals who are working from home has increased dramatically, along with delivery vehicle movements associated with online retail

Relatively sure
(can forecast)

The numbers of people working from home will decrease compared with the height of the pandemic but remain higher than pre-pandemic levels

Realistic
possibility

Urban centre office spaces are no longer required in the scale and style that they currently exist

Uncertain

New technologies will be used to ensure that city-centre spaces are car-free, people-friendly spaces used for recreation and entertainment



Technological & behavioural acceleration

Although an increase in car mode share has been forecast, this has been offset by a reduction in total numbers of trips resulting from decreased work trips (i.e. higher levels of working from home and a lower number of jobs).

This overall reduction in the total number of car trips is forecast to last at least three years. It is unclear how this will change beyond this period, but we could well be planning in the medium to long term for lower levels of car traffic than previously envisaged.

It is also possible that through changing travel patterns as a result of where people live and work and how they work, that demand for car travel spreads to outside the peaks and moves away from some of the most congested radial routes in the region.

We must think carefully about how we can best make use of the benefits brought by this technological acceleration and behavioural shifts, whilst mitigating negative side-effects. In particular, it will be important to ensure that towns and cities remain sites where people want to come and interact, even as economic opportunities become less geographically concentrated.

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