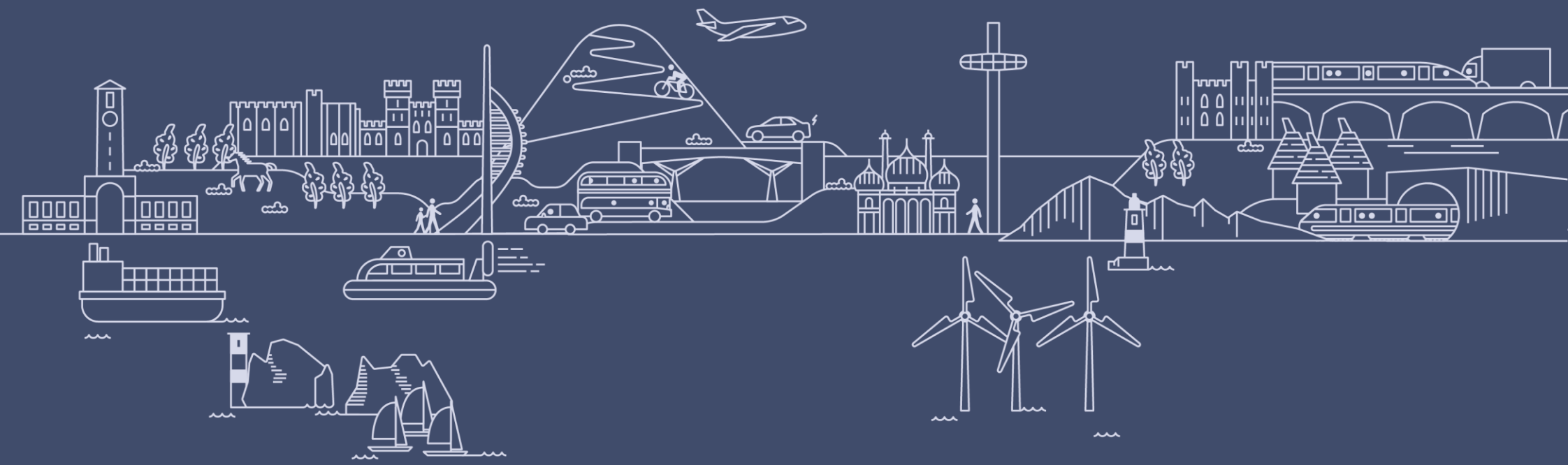
TRANSPORT FOR THE South East



TfSE Transport Strategy Refresh

Need for Intervention Report

May 2024

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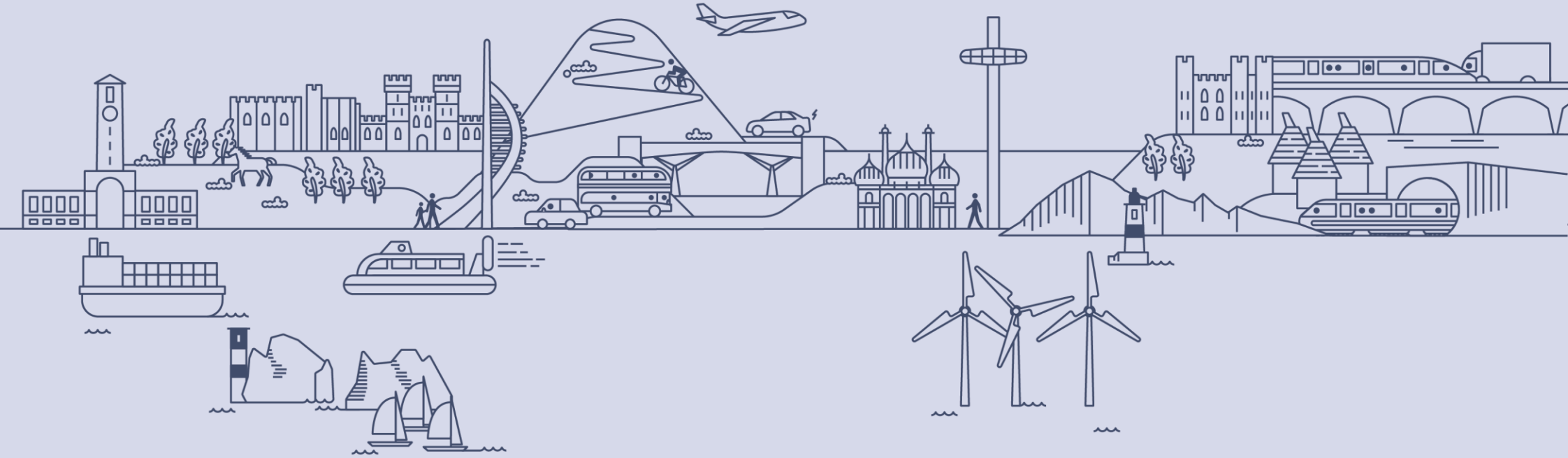
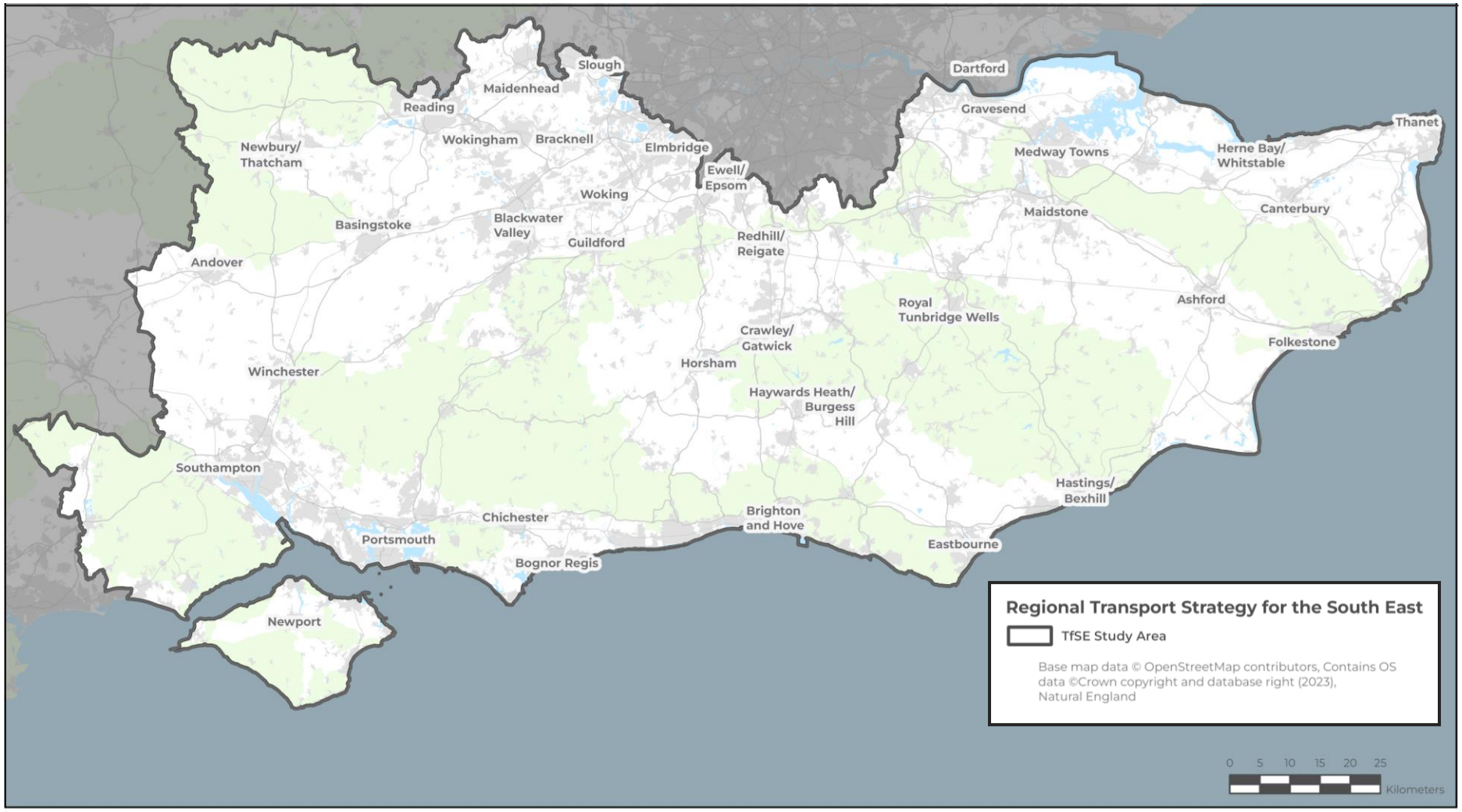


Introduction

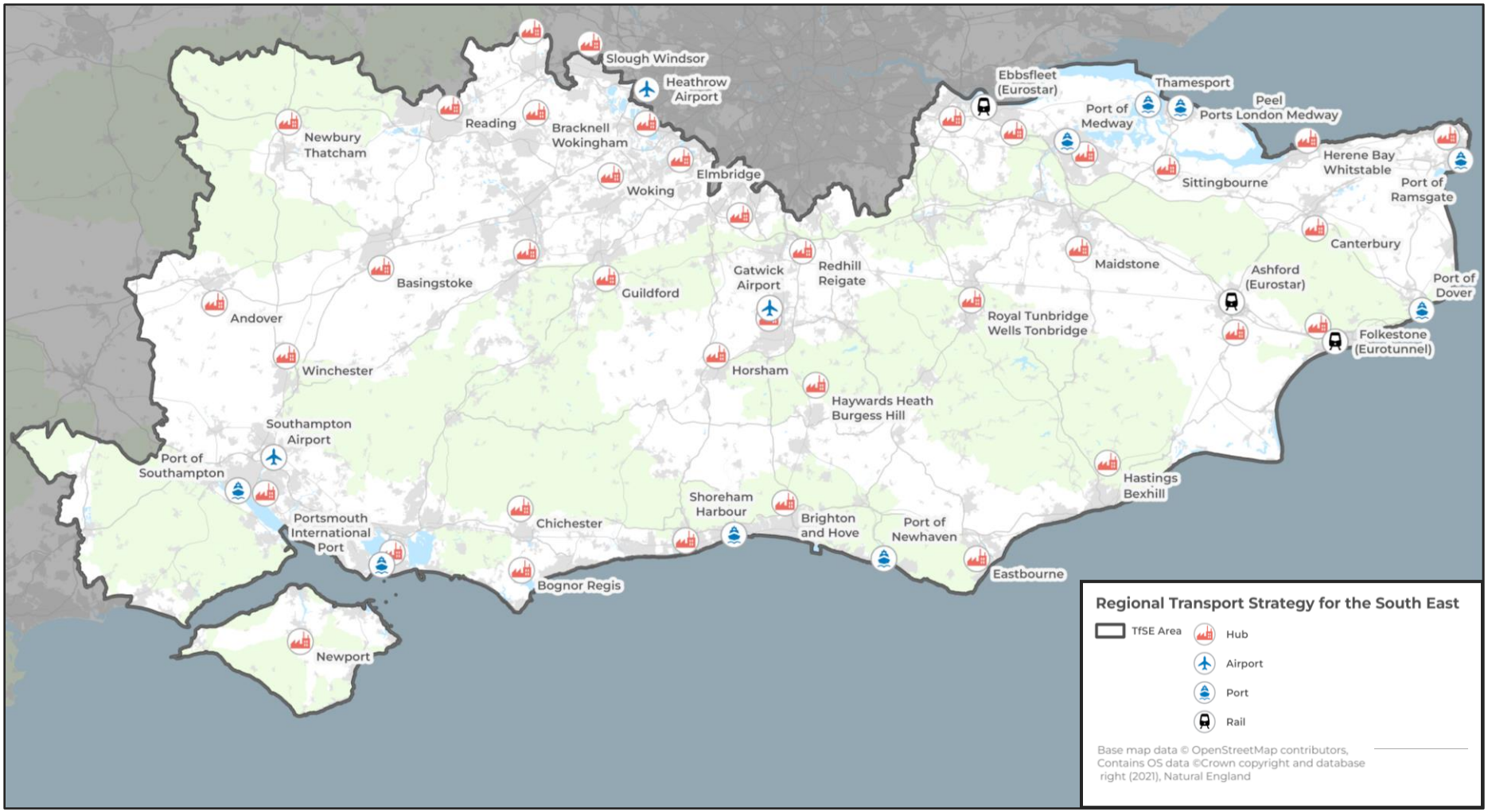
The TfSE Area

The Transport for the South-East area encompasses the entirety of Kent, Medway, Hampshire, the Isle of Wight, Surrey, East Sussex, West Sussex, Brighton & Hove, and the six Berkshire authorities (West Berkshire, Bracknell Forest, Reading, Slough. Royal Borough of Windsor & Maidenhead, and Wokingham).



Major Economic Hubs and International Gateways within the TfSE area

The TfSE area has 38 Major Economic Hubs (MEH) distributed across the constituent authorities. The northern Surrey and eastern Berkshire have a high concentration of MEH with strong connection to London and Heathrow. The South Hampshire conurbation of Southampton and Portsmouth is another MEH cluster and major gateway for the international movement of goods. Gatwick Airport, Folkestone, and Dover serve as major international gateways by air, train, and sea respectively.



TfSE Vision and Strategic Priorities

In 2020 in its first Transport Strategy TfSE presented an ambitious vision to deliver a:

"high-quality, reliable, safe and accessible transport network [that] offer[s] seamless door-to-door journeys enabling our businesses to compete and trade more effectively in the global marketplace and [give] our residents and visitors the highest quality of life."

To reach this vision, TfSE and its member authorities identified the following strategic priorities:

Protect and enhance the South East's unique natural and historic environment by	Improve health, wellbeing, safety and quality to life for everyone by:	Improve productivity to grow our economy and better compete in the global marketplace by:
• Reducing carbon emission to net zero by 2050 at the latest. • Reducing the impact of, and the need to, travel. • Protecting our natural, built and historic environments. • Improving biodiversity. • Minimising resource and energy consumption.	• Promoting active travel and healthier lifestyles. • Improving air quality. • (delivering) an affordable, accessible transport network that's simpler to use. • (delivering) a more integrated transport network where it is easier to plan and pay for door-to-door journeys. • (delivering) a safer transport network.	• Improving connectivity between major economic hubs, ports and airports. • (delivering) more reliable journeys. • (delivering) a more resilient network. • (improving) integrated land use and transport planning. • (enabling) a digitally smart transport network.

Structure of this Report

This report summarises the findings and emerging insights uncovered from updating the evidence base as part of a refresh of the TfSE Transport Strategy developed in 2019. It presents the current and changing policy demographic, socio-economic and environmental context of the area; the possible implications of this change on future transport demand and provision; and the need for intervention to ensure we embrace this change and continue to deliver better transport and wider outcomes.

Part 1 presents our evidence base findings underpinning the need for intervention and a refresh of the strategy.

It presents the current and changing policy, demographic, socio-economic and environmental context of the area, developed through research and analysis sourced from policy documents, publicly available data and maps, scheme promoters, and insights from stakeholders.

Accompanying this is a review of the Transport Strategic Investment Plan and the scheme of interventions and global policy measures.

Part 2 presents our need for intervention through a series of challenge statements.

These challenge statements have been framed from our findings and insights from our evidence base, and communicate:

- A Challenging Context
- Constraints on Change
- Consequences of Inaction
- A Challenging Future

They form a stimulus approach for assessing what the changing context may mean for changing transport demand and provision in the TfSE area.

The challenge statements also begin to provide a platform for identifying opportunities and measures that might address this challenge and how these may deliver better outcomes for the region.

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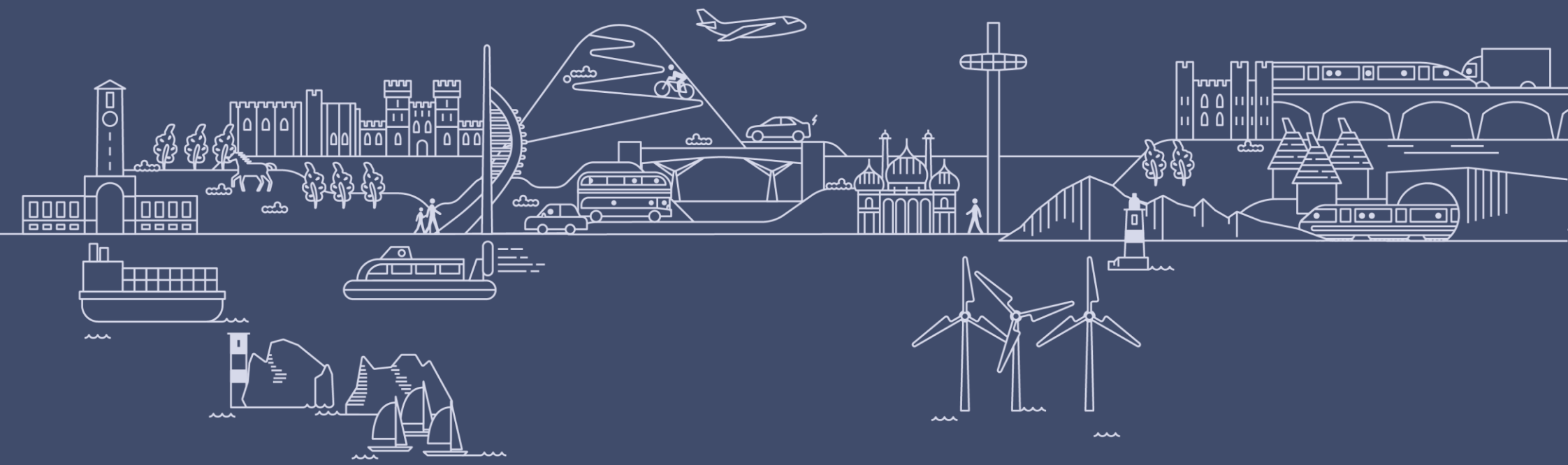

Part 1

Current and Changing Context

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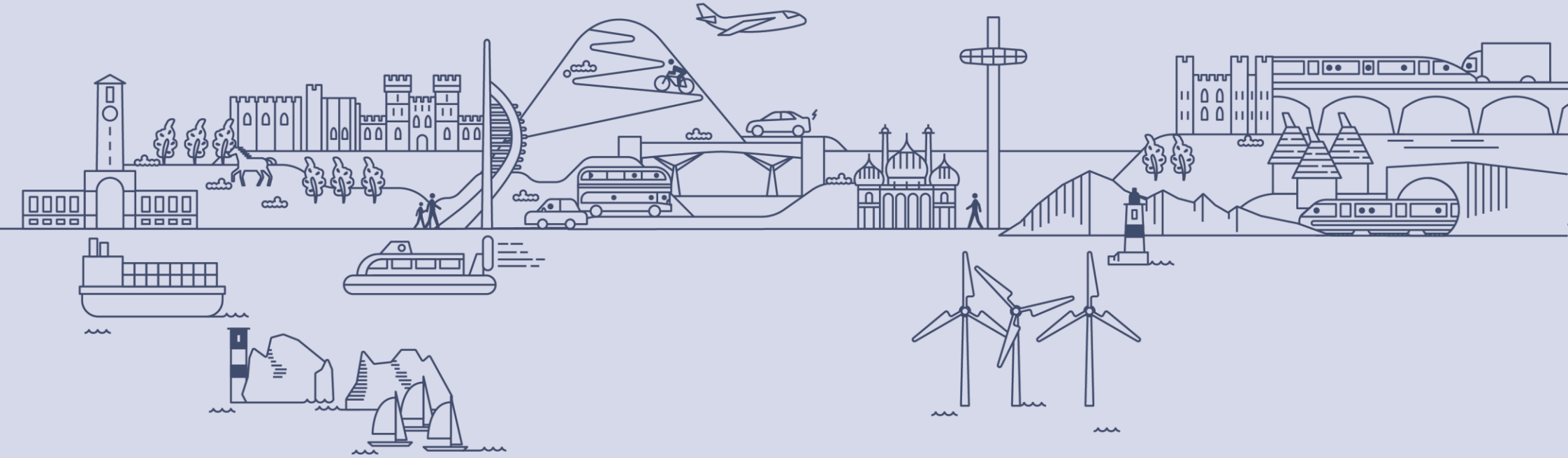


Part 1a

Policy Context

National and International Policy Context

National and international policies set a framework for the future of planning, climate change and digital technology. They aspire to deliver transport networks that work better for the people, the economy, and the environment. Key policy themes are discussed below:

Climate Change/Decarbonisation

The declaration of a UK climate emergency and associated legally binding Net Zero targets (by 2050) has led to an increased focus on the importance of decarbonisation across all sectors, but particularly in transport.

Decarbonising Transport, Setting the Challenge, sets out the broad framework within which this context sits, and will provide the foundation for future DfT policies in this area. It comes in the wake of several other critical national (e.g. the **Clean Growth Strategy**) and international (e.g. the **Paris Accords**) documents which are helping to set the overall direction for decarbonisation.

Clearer understanding of how these changes will be delivered is provided in documents such as **Gear Change**, which aims to deliver significant improvements to cycling infrastructure. We expect policy to continue evolving rapidly in this area. We also expect to see the wider adoption of "place based" policies (e.g. "15-minute neighbourhoods") in response to the climate challenge.

Planning Reform

Planning in England is governed at a national level by a **National Planning Policy Framework**, which promotes the importance of sustainable development and has several clear environmental themes. This planning framework guides the development of **Local Plans** and sets policy for the development of national international networks.

The government has indicated an ambition to reform the planning system and has laid out its plans in the White Paper: **Planning for the Future (2020)**. Planning reforms are expected to focus on simplifying the planning system and making better use of data and digitalisation to help make the planning system work better.

Recent planning policy has also emphasised the importance of building more new homes and making them more affordable and readily available to those living across the country. This would closely follow the policy outlined in the **Housing White Paper 2017** and delivered (in part) by the **Housing Infrastructure Fund**.

Emerging Technology

Technology will be critical for helping the transport network to continue developing over forthcoming years. Many believe recent trends in the adoption and penetration of emerging technologies have been accelerated by the advent of COVID-19.

Government policy is also evolving fast. In **Road to Growth** and the latest **Road Investment Strategy**, National Highways have emphasised the importance of using new technology across our highway network. The **Road to Zero** document also aims to encourage greater uptake of low-emissions vehicles, which it notes will require new technological development.

The DfT's policy document **Future of Mobility: Urban Strategy** (released in 2019) focuses how artificial intelligence and electrification will shape the transport network and deliver widespread benefits. It is anticipated that the **Future of Mobility: Rural Strategy,** which is expected to be released imminently, will likely cover similar themes for rural contexts.

Changing National Policy Context

There have been several changes in public policy since the TfSE Transport Strategy was formally adopted in 2020.

The UK's relationship with the EU

Great Britain (but not Northern Ireland) has left the EU Single Market and Customs Union. This has created frictions between GB and the EU, as well as between GB and Northern Ireland.

The Windsor Agreement (2024) seeks to mitigate some of these issues to ensure the smooth trading of goods. However the measures and implications are uncertain.

The forthcoming European Travel Information and Authorisation System (ETIAS) scheme risks adding to these frictions. The port of Dover and wider South East being the gateway to the continent are most likely to be impacted future trade policy changes.

National Infrastructure

The Union Connectivity Review (2023) has proposed a Trans UK Network to replace the EU TEN, which includes corridors connecting the Channel Ports to the Midlands and North.

However, the government's commitment to major interventions including High Speed 2 (nationally) and the Croydon Area Remodelling Scheme (regionally) have been scaled back and timescales delayed.

A recent review by the National Infrastructure Commission on the progress of implementing committed infrastructure calls for additional funding to deliver planned major infrastructure schemes in the pipeline.

Devolution

For some time, there has been a national move towards devolution. However, authorities in the South East have been slow "adopters".

Among other things, devolution can provide Local Transport Authorities with much greater control of bus services in their areas.

Surrey County Council has recently reached a Level 2 Devolution deal, and several authorities in Hampshire and the Solent are understood to be seeking a non-mayoral deal.

Levelling up

Since the publication of the last strategy, the Government has developed its Levelling Up policy, which has included publishing a White Paper and associated Bill. Since 2020, £736 million has been allocated to projects in the South East to:

- Save local assets at risk of closure
- Regenerate town centres and high streets
- Invest in cultural and heritage assets
- Upgrade local transport

Only a small portion of the funding in the South East has been allocated to Transport projects, namely, Improvements to Eastbourne and Seaford, and connections in East Sussex by replacing the Exceat Bridge with a two-lane bridge.

Housing

House building in the South East appears to have stalled. Government has committed to build 300,000 homes a year, but it is still unclear where these will be, and the travel implications from this. In 2022, housing powers devolved to Manchester and Birmingham through Trailblazer deals, however in 2023, Local authority mandatory housing targets for local plans were scrapped.

Decarbonisation

The Government's Policy "Decarbonising Transport " put in place a set of modal targets for decarbonation of transport:

- Rail: all diesel trains removed by 2040
- Private Cars: all new cars zero emissions capable by 2030
- Bus and Large Freight vehicles: all new vehicles zero emissions by 2040
- Aviation: Net Zero (inc. offsets) domestic by 2040, all by 2050

These were complemented through policies which disincentivise private vehicles and promote active and sustainable modes through emissions charging and low traffic neighbourhoods.

However, the government's Plan for Drivers (2023) and other recent announcements suggests there is some "rowing back" from earlier, bolder commitments on action.

Changing National Transport Policy Context

Recent national policy and strategy indicates that despite a plethora of challenges and uncertainty, particularly around funding and delivery, there is a positive shift in the relative importance national government has placed on transport across all modes, and freight.

Bus and mass transit

There has been an increased focus on the provision of Bus and local public transport following the release of the Bus Back Better national bus strategy (2021) and Zero Emissions Bus Scheme (2022). The extended roll out of the £2 bus fare across much of the country has made bus an attractive and viable option for many users, particularly for longer-distance journeys and in rural areas where the fare has reduced by 11% and translated to higher ridership.

In March 2024, it was announced that Bus services in West Yorkshire are to be brought back under public control, under a franchising mechanism akin to that of London where West Yorkshire Combined Authority (WYCA) would have control over setting services, timetables and monitoring quality of service. This coincided with refreshed plans to deliver a tram network connecting major centres across the WYCA region.

In May 2024, the newly elected mayor of the West Midlands Combined Authority pledged to follow suit and bring back bus services under public control as per Manchester and West Yorkshire.

Rail

Falling rail demand and increased subsidy has meant rail capital investment is being reduced and several high-profile projects, most notably HS2, have been curtailed.

Network Rail have acknowledged the need to continue investing in their Renewals and Maintenance programmes to modernise ageing infrastructure, however the progression of schemes in the Rail network enhancements pipeline through the business case process have slowed with major programmes, such as the Croydon Area Remodelling Scheme, unlikely to be delivered in the coming years as initially anticipated.

However, in April 2024, Labour released their plan to Fix Britain's railways which could reinvigorate the plans to deliver reform through the creation of Great British Railways introduced during the pandemic. The implications of this are unknown, but could deliver significant change in how the railways are operated and could provide greater value and choice to the user, and transform national, regional and local rail connectivity across the nation.

Furthermore, the industry have set a Rail Freight Growth Target of increasing freight moved by rail by 75% by 2050; and are identifying options for how to achieve this.

Active modes

Active transport has seen an increased priority with establishment of Active Travel England and the Second Cycling and Walking/wheeling Investment Strategy (2023) which follows on from the vision set out in Gear Change (2020) to deliver a meaningful mode shift of local trips to active modes. ATE has been tasked with delivering the government's objective of ensuring 50% of trips in England's towns and cities are walked, wheeled or cycled by 2030. However, local authorities are struggling to fund these initiatives in the midst of competing needs. Despite more funding being made available to fund initiatives, it pales in comparison to the quantum of funding for other modes, and the pace of delivery varies such that many areas have yet to see any meaningful change in the active travel infrastructure available..

Highways

Road transport remains a priory with government keen to invest in RIS3, and the publication of the Plan for Drivers (2023), illustrated the support for the use of private vehicles. An EV mandate to ban Internal Combustion Vehicles by 2035 has been passed to ensure we meet decarbonisation and air quality goals. However, this target was pushed back from 2030.

Regional and Local Policy Context

Regional and local policies recognise the strength of the South East's natural assets and understand the importance of balancing future growth with social and environmental needs. The 2020 Transport Strategy provided a framework for the implementation of national and regional priorities at a local level. Local Transport Authorities appear to be moving away from a 'Predict and Provide' approach towards a more holistic 'Plan and Provide' approach.

Planning for People and Places

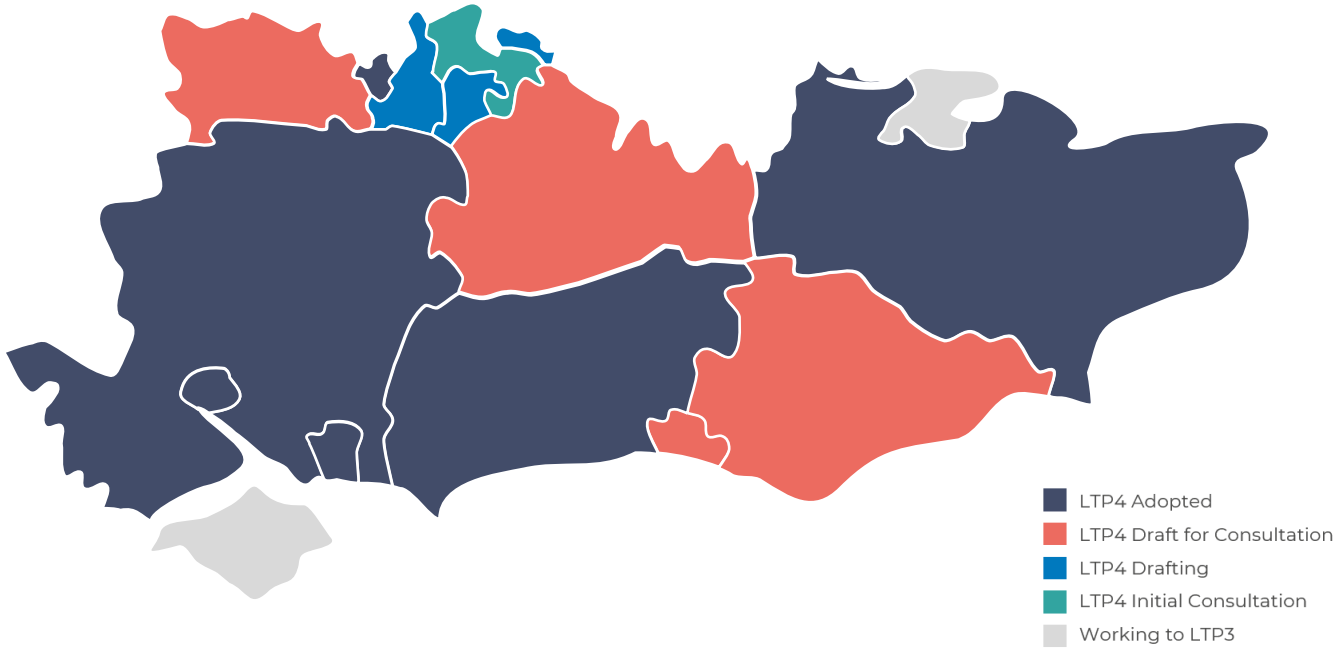
At a local level, the importance of places and placemaking is emphasised in several policy documents.

Many local transport plans in the area aim to shift transport planning away from "planning for vehicles" towards "planning for people" and "planning for places", and net-zero carbon emissions by 2050 at the latest.

Planning for vehicles acknowledges that some local highways schemes may be needed to support immediate housing needs and congestion hotspots. However, the **planning for people and places framework** encourages transport planners to shift their focus to consider planning for people, as a means of considering all modes of transport, especially active travel and public transport, and planning for places, which requires better integrated transport, land use, services, and other infrastructure planning at a regional and local level.

Many Local Transport Plans are reflecting this philosophy by advocating a shift away from "predict and provide" – where transport provision is determined by forecasts based on current behaviours and trends – towards "plan and provide", which first determines a preferred future state and works backwards to determine actions for today.

Figure 1.1: Status of development of latest Local Transport Plans (LTP4)



Common themes across new and emerging Local Transport Plans across the region:

Modal shift *Decarbonisation* *Air quality* *Community focus*

Circular economy *Healthy transport*

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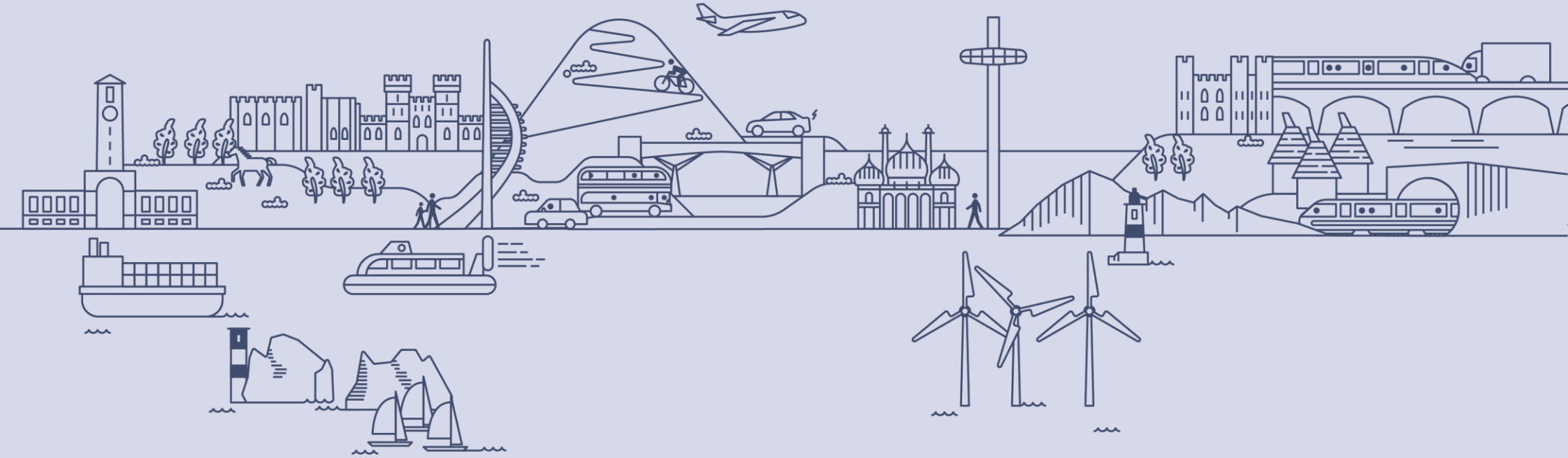


Part 1b

Demographic, Socio-economic and Environmental Context

Demographic and socio-economic context

Population

The population of the TfSE area is expected to grow to 8.5 million by 2040.

Figure 1.2 shows population density across the TfSE area. The densest areas are concentrated on the northern border of the area and its southern coast, with an area of low density through the middle. Most areas of high population density exist within larger conurbations such as that extending from Southampton to Brighton, or surrounding London. However, high density pockets exist which as expected align with major rail corridors to London. Examples include: Ashford, Basingstoke, Burgess Hill/Haywards Heath, and Newbury/Thatcham.

The areas which have undergone the greatest 10-year growth are: Dartford (20%), Maidstone (15%) and Wokingham (15%). In contrast, some parts of the TfSE have experienced stagnation, such as: New Forest (-1%), Gosport (-1%), Hastings (0%) and Tunbridge Wells (1%).

Dartford is expected to continue to grow with an anticipated 20% population growth to 2040. Other areas expected to experience high population growth are Dover, Ashford, Maidstone, and Horsham. These growing centres will induce more travel demand to and from these areas and present new challenges for the transport network.

Employment

Employment across the TfSE area grew by 7% in the past decade. However, this growth is uneven and is becoming increasingly concentrated in urban areas.

Figure 1.3 shows employment density across the TfSE area. The densest areas are in the major conurbations of Southampton, Brighton and the Thames Valley.

The areas which have undergone the greatest 10-year growth are: Gravesham (29%),Thanet (21%), Dartford (19%) and Medway (19%). On the other hand, areas which have experienced a decrease include Chichester (-17%) and Tunbridge Wells (-9%).

The concentration of employment, coupled with a lower rate of employment as the population continues to age, and a changing industrial make up of the area will present new transport challenges for the network to ensure people can continue to effectively access employment centres.

Affordability and Earnings

Housing affordability is a challenge across the TfSE area. Earnings and affordability are not evenly distributed, leading to a mismatch in where people live and work.

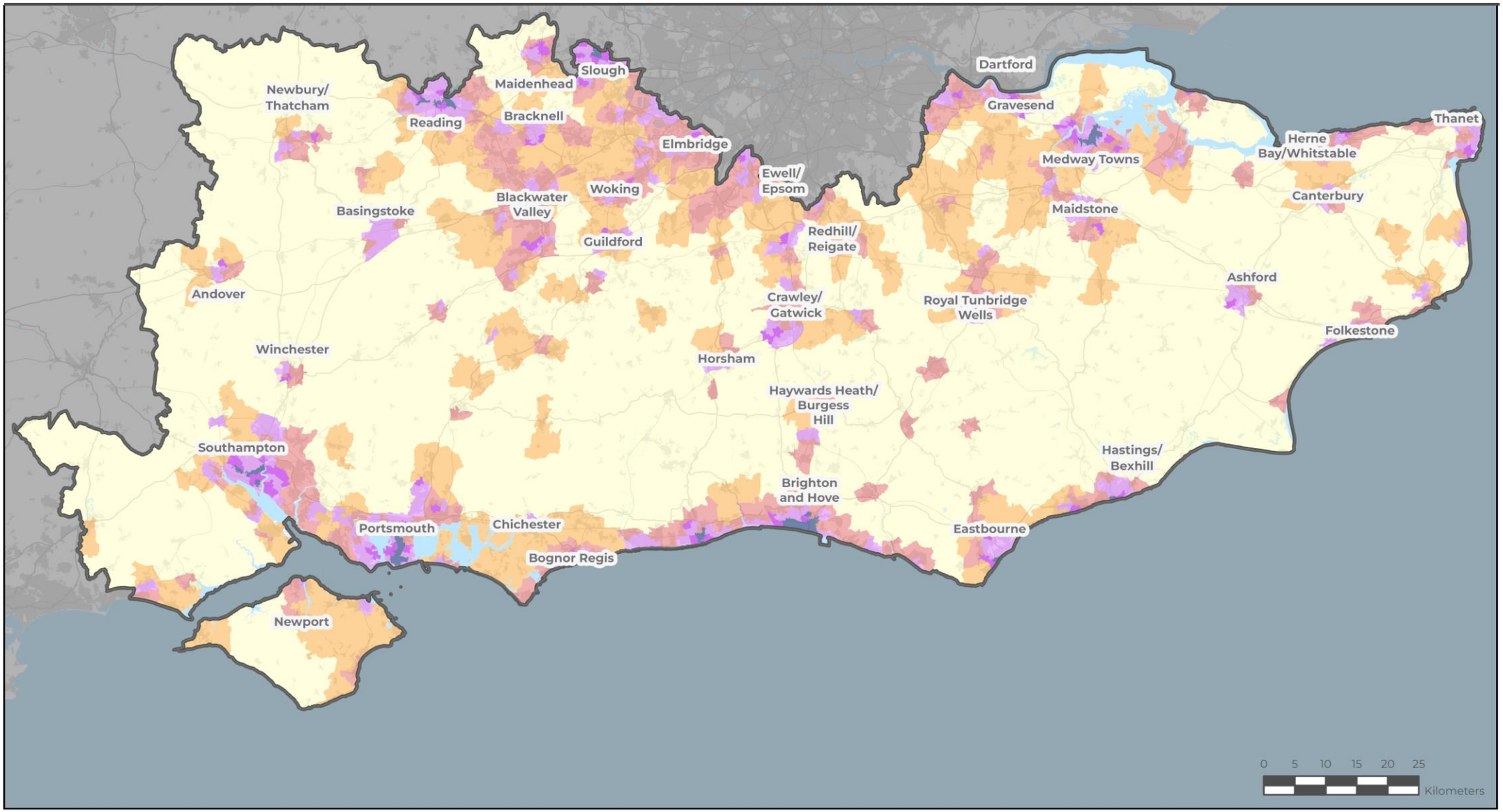
Figure 1.4 shows total household incomes across the TfSE area, while **Figure 1.5** shows housing affordability (as a ratio of median house price to median resident income) and **Figure 1.6** shows the recent trend in affordability between 2017 and 2022.

Resident earnings trend from highest in the north-west, decreasing further out to the south and east, with the Isle of Wight, and the Kent coast having the lowest average annual household earnings.

Housing affordability in Portsmouth and Southampton is on par with the UK average, with a earnings to house price ratio of 8. However, the rest of the TfSE area is significantly above this, with houses in Mole Valley costing 16 times the median income. Other expensive locations are associated with rural areas of high natural beauty, but retain strong transport connections, such as Winchester and East Hampshire (South Downs), New Forest, Royal Tunbridge Wells (High Weald), and Sevenoaks (Kent Downs). Brighton & Hove also has a higher housing to income affordability ratio.

Source: ONS actual population, employment and median earnings, ONS median house prices (2012-2022), ONS forecasts (2022-2040) – accessed via NOMIS

Figure 1.2: Population density (sq km) across the TfSE area (2022)



Regional Transport Strategy for the South East

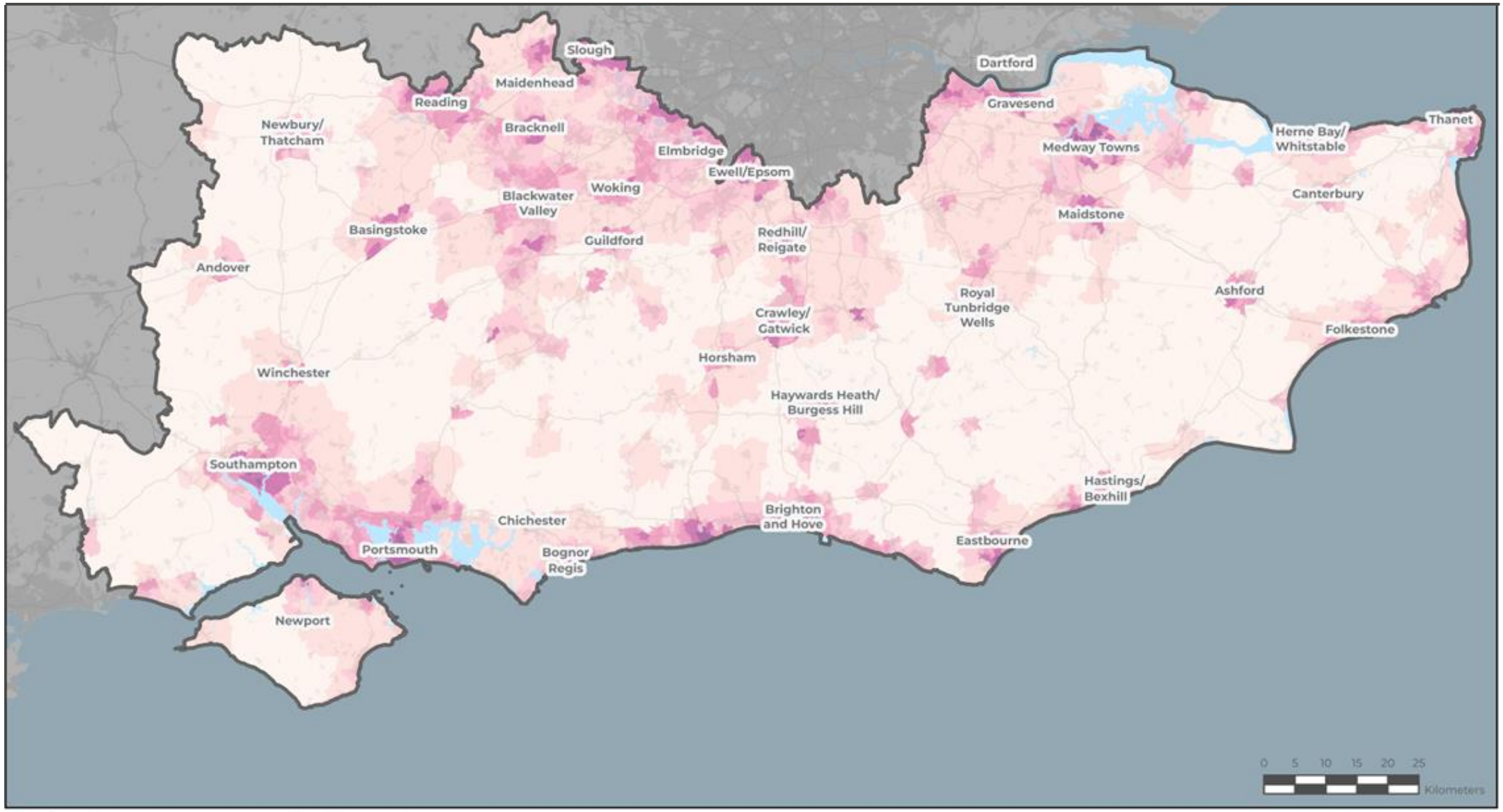
TfSE Area

Population Density (sq km)

- Less than 250
- 251 - 750
- 751 - 2500
- 2501 - 5000
- 5001 - 7500
- Greater than 7500

Source: Analysis of ONS (NOMIS) actual population statistics (2022)

Figure 1.3: Employment density (sq km) across the TfSE area (2022)



Regional Transport Strategy for the South East

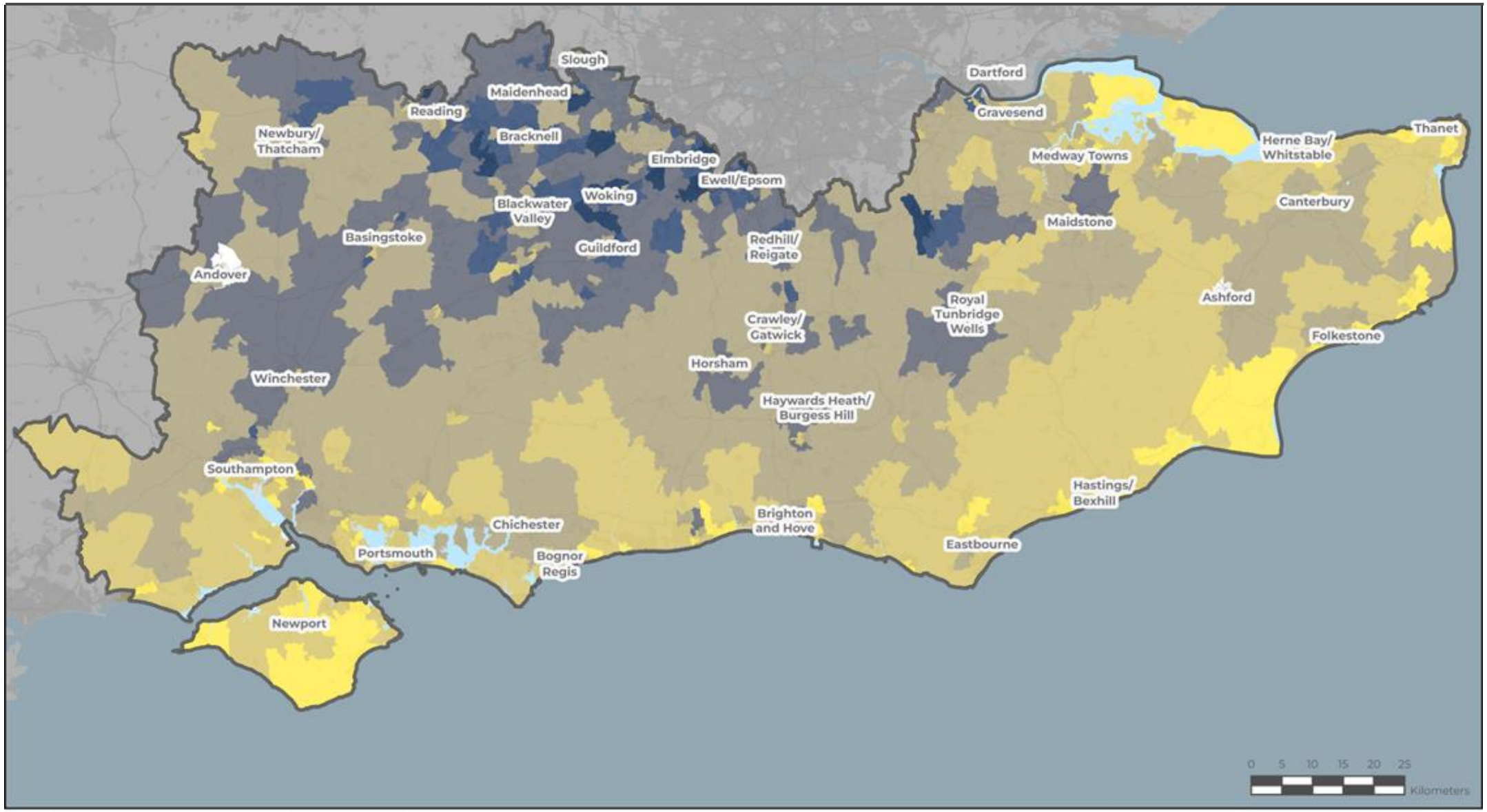
TfSE Area

Employment Density (sq km)

- Less than 75
- 76 - 250
- 251 - 750
- 751 - 2000
- 2001 - 3500
- Greater than 3500

Source: Analysis of ONS (NOMIS) actual employment statistics (2022)

Figure 1.4: Average household earnings in the South East Region (2022)



Regional Transport Strategy for the South East

TfSE Area

Total Annual Household Income (£)

- < 40,000
- 40,001 - 50,000
- 50,001 - 60,000
- 60,001 - 70,000
- 70,001 - 80,000
- > 80,000

Source: ONS (NOMIS) median earnings (2022)

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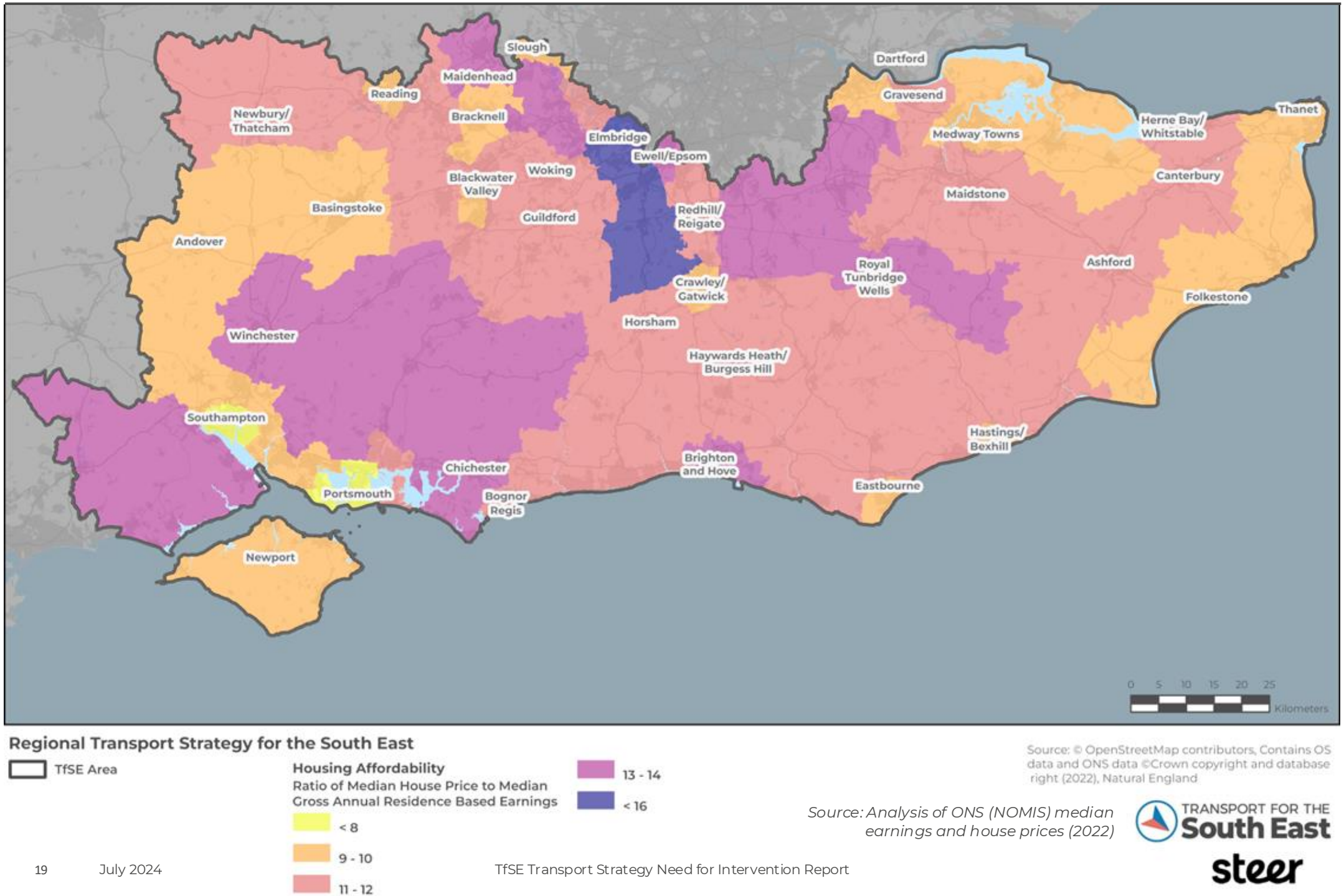
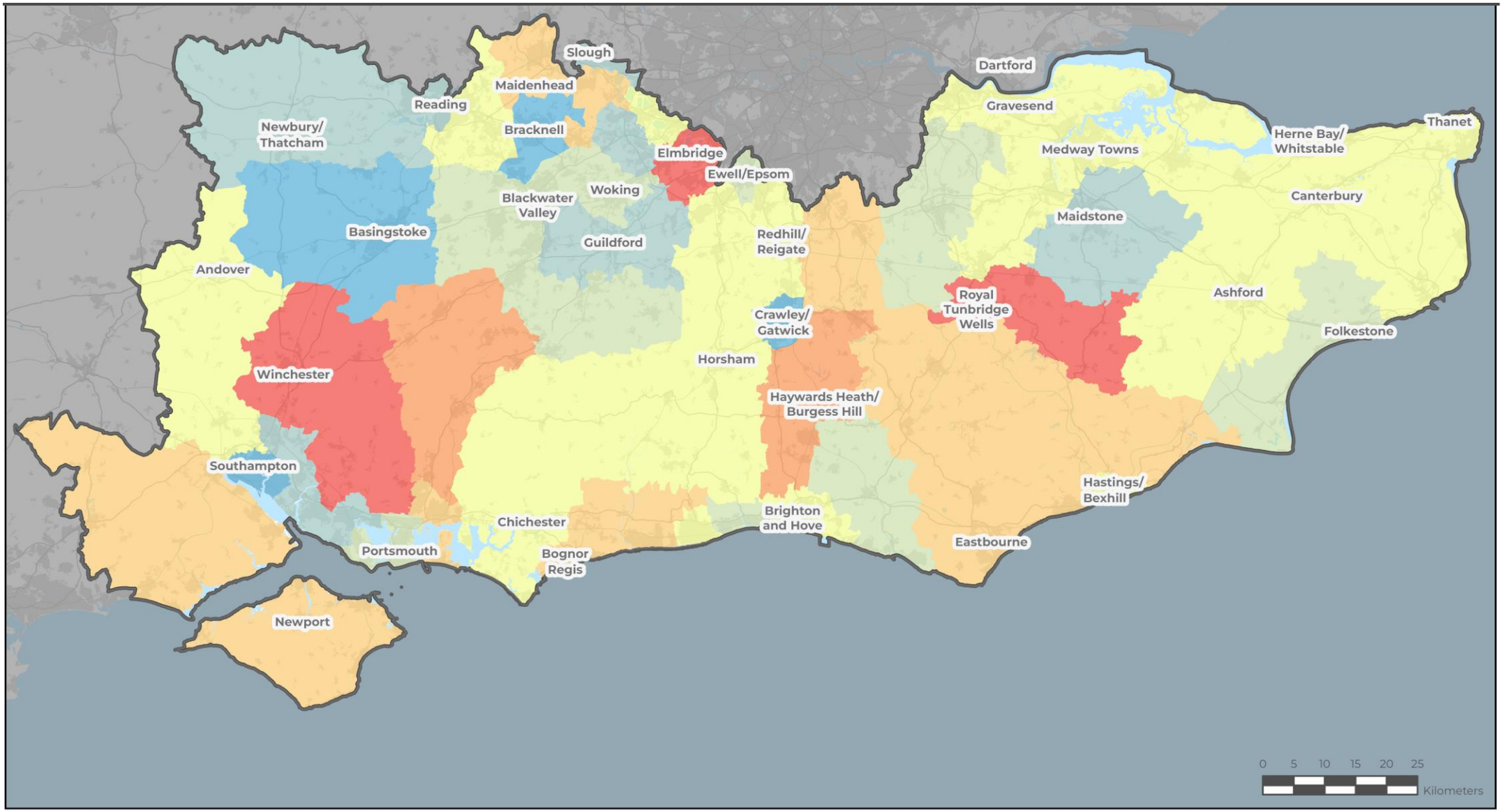
Figure 1.5: Housing Affordability ratio in the South East Region (2022)



Source: Analysis of ONS (NOMIS) median earnings and house prices (2022)

Figure 1.6: Housing Affordability change (between 2017 and 2022)



Regional Transport Strategy for the South East

TfSE Area

Housing Affordability Change

- < -5%
- -4% - 0%
- 1% - 5%
- 6% - 10%
- 11% - 15%
- 16% - 20%
- > 20%

Source: Analysis of ONS (NOMIS) median earnings and house prices (2022 vs 2017)

Demographic Projections

Housing

Housing growth is expected to take place across the region.

Figures 1.7 shows the location of the largest housing growth sites in the TfSE area. This is based on estimates provided by Planning Authorities in 2019 (Local Plans or their draft equivalents), which, in many instances, rely transport and other infrastructure being delivered. This map shows that future housing growth is expected to be concentrated around:

- South Hampshire (Southampton and Portsmouth);
- West Sussex Coastal areas between (and including) Chichester and Worthing;
- Burgess Hill;
- Ashford; and
- Thanet.

Much of this growth will occur in peri-urban settings, so it will be critical that developments are supported with active travel and public transport connections. Doing so will ensure that individuals can travel sustainably to their places of work and residence without relying on private transport.

A forecast ageing population may also have implications on where people live and how they travel, as well as wider economic implications for the South East which may dictate where housing and transport is delivered.

Employment

Employment growth is expected to be more concentrated in the city centres of the larger urban areas.

Figure 1.8 shows the location of the largest employment growth sites in the TfSE area. This map shows that employment growth is expected to focus on the South Hampshire, Brighton & Hove, Hastings and Ashford areas.

In South Hampshire and Brighton & Hove, employment growth is expected to be focussed in City Centres. This is because many of the higher growth industrial sectors (e.g. financial services) have a preference for city locations.

In Ashford, on the other hand, it appears that most employment growth will occur on the urban periphery. This is partly driven by the availability of land in these places, as well as their specialist industries (e.g. logistics).

It will therefore be important to provide good public and healthy transport connections from these peripheral locations to city centres and transport hubs. This will ensure these cities enjoy economic prosperity and an increased quality of life for all residents.

Risk of imbalance?

There is a risk that any significant imbalance in housing and employment growth may cause unsustainable outcomes.

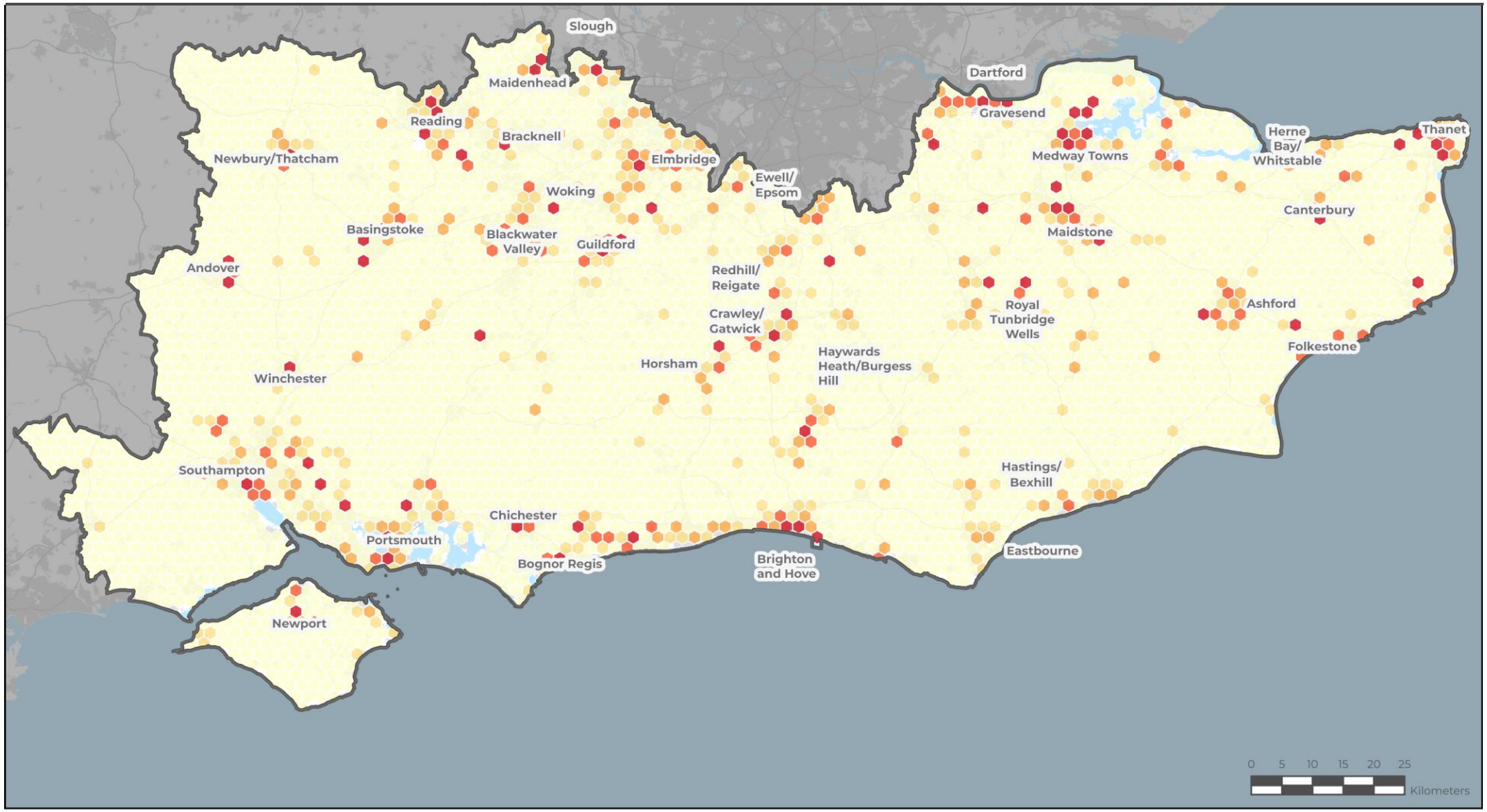
These maps show that housing development is expected to take place widely across the TfSE area, while employment development is more concentrated in urban areas. There is a risk that this will create a spatial imbalance in housing and employment, and may generating more travel demand, particularly by car.

It is recognised that there is an acute need for housing in the TfSE area (to ensure that housing is accessible and affordable) and that, given the environmental and physical constraints of the corridor, some areas will be better placed to absorb housing than others.

To promote more sustainable outcomes, we need to improve integration between spatial, land-use and transport planning, and ensure:

- Development is located near to urban centres and transport hubs to reduce the need to travel;
- New development includes mixed use areas to provide local shops and services and is developed to a suitable density/volume; &
- Developments are served by sustainable transport options (from the outset), with consideration for sustainable servicing and freight and logistics infrastructure.

Figure 1.7: Planned new homes in the TfSE area



Regional Transport Strategy for the South East

TfSE Area

Number of New Homes

< 100

101 - 350

351 - 750

751 - 1,500

< 1,500

Source: Steer compilation of local plan forecasts and analysis as part of the previous Transport Strategy Evidence base (2019)

This map will be updated once D-Log Local Plan data collection is complete shortly by TfSE in the summer of 2024

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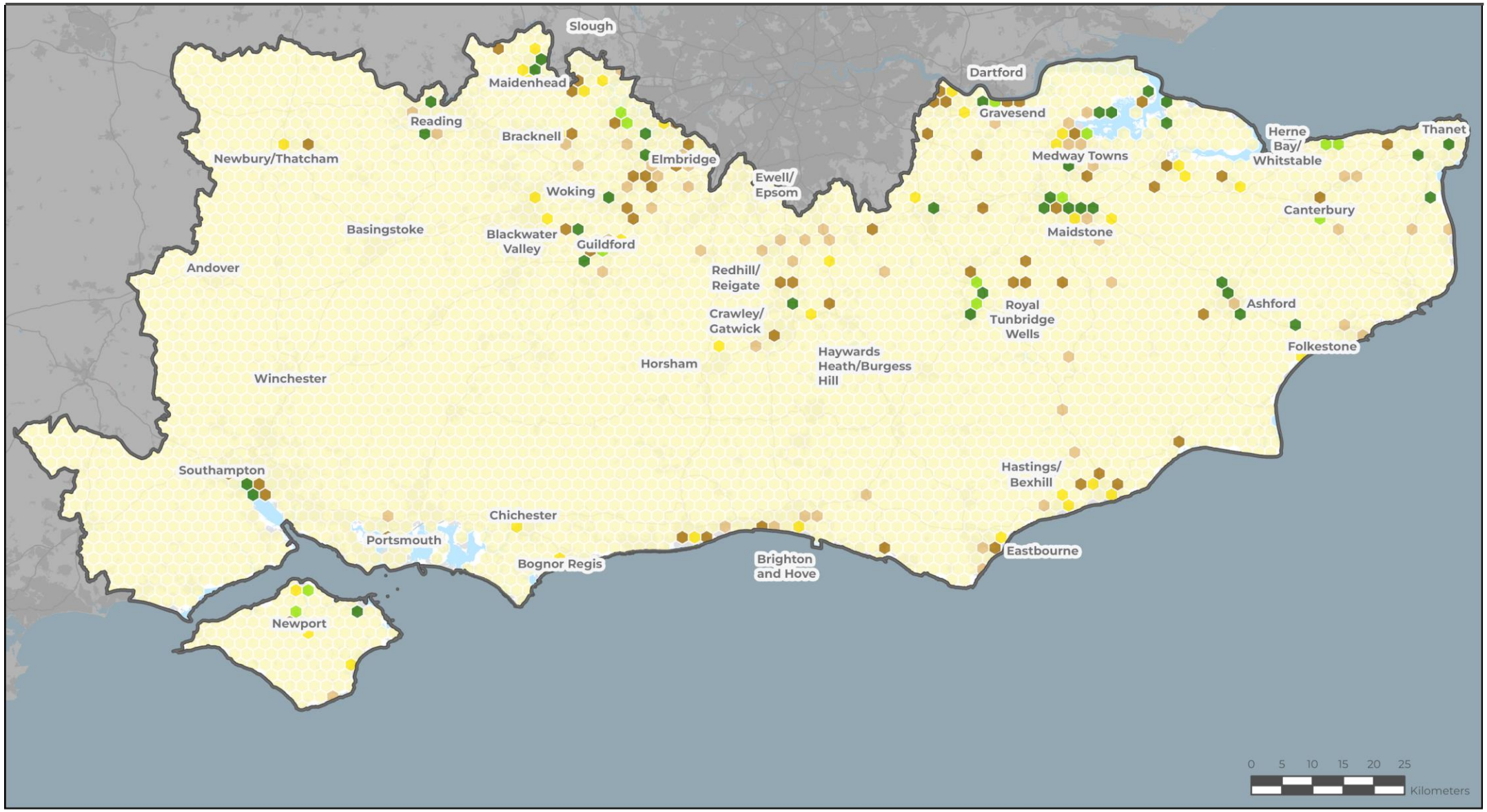
1 Hexcell = 3.5 square kms

Figure 1.8: Planned new jobs in the TfSE area



Regional Transport Strategy for the South East

TfSE Area

Number of New Jobs

- < 75
- 76 - 250
- 251 - 750
- 751 - 1,500
- 1,501 - 2,500
- < 2,500

Source: Steer compilation of local plan forecasts and analysis as part of the previous Transport Strategy Evidence base (2019)

This map will be updated once D-Log Local Plan data collection is complete shortly by TfSE in the summer of 2024

TRANSPORT FOR THE South East

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Industrial and Economic Context

Concentration, distribution and change in jobs by industrial sector

The current industrial make-up of jobs in the TfSE area is service sector led, with jobs in public services or professional services making up over half of all jobs across all areas. This is comparable to the rest of the UK.

Figure 1.9a shows the current number of jobs in the area by broad industrial sector, the change in the past 10 years and the forecast change across the TfSE area up to 2050, and the transport implications of this change.

Recent jobs growth has varied across the area. Kent, Berkshire and West Sussex experienced employment growth across most sectors, whereas Hampshire, Surrey, Isle of Wight and Portsmouth have experienced a stagnation or small decline in jobs.

Figure 1.9b shows the recent growth or decline in the number of jobs by broad industrial sector and local transport authority in the TfSE area.

Despite the TfSE area having fewer **primary sector** jobs, such as in agriculture and mining, than the UK average, Kent has a higher concentration of agriculture jobs.

Manufacturing is also in decline across the area, relative to the UK. Portsmouth historically had a higher concentration of manufacturing jobs, but has experienced a sharp decline in jobs.

Construction also forms a higher than national average concentration of employment in Kent, Medway and East Sussex, with a high proportion of these businesses serving the Greater London market. This sector has grown considerably in recent years and is expected to grow, particularly in Medway and Kent. This may be partly due to ever-growing demand for construction related services in and around London. The construction of several major housing developments may cause disruption to the regional and local highway network around these sites.

Business-to-business (b2b) trade services, including wholesale trade and Retail trade makes up 14% of all jobs in the TfSE area. Growth has slowed in the area, with Southampton and Surrey experiencing decreases in activity. This may be linked to poor transport connectivity limiting the potential for agglomeration benefits.

As the TfSE area is home to Dover and Southampton Ports, two of the largest international gateways in the UK, **Transport and logistics** forms a higher than national average concentration of employment in Kent, Medway, Southampton and West Sussex. Despite a fall in the volume of freight passing though Dover and Southampton since the UK left the European Union, the Transport and Logistics sector continues to grow across the TfSE area. Transport activity to facilitate this is expected to grow. This may put a strain on our arterial highways connecting our key ports (M2, M20, M3, M27, M271 and A34).

Retail, Public and Professional services jobs continue to increase, particular in more urban centres, but despite recent population growth being in line with the UK, employment growth in these sectors has been slower than other parts of the UK. The area is home to several high-value sectors, for example Berkshire being a cluster for IT services, and being the local of head office and management activity for national businesses.

Jobs in these sectors are forecast to grow, particularly in urban areas. This may mean our transport networks will have to accommodate more commuters, both in the traditional peaks and throughout the day. There will also be a need to serve consumers who prefer to physically access retail and services, and more local freight deliveries for consumers who prefer to get things shipped to their homes.

Industrial and Economic Context

Figure 1.9a: Make-up of employment by broad Industrial Sector in the TfSE area (vs UK)

	Number of Jobs in TfSE area (in 2022)	Proportion of Jobs in TfSE area (in 2022)	% change in jobs in TfSE area (2022 vs 2012)	% forecast growth in jobs in the TfSE area (2022 to 2050)	Transport Implications
Primary sector	**87,028**	**2%**	**6%**	**8%**	A declining manufacturing sector may relieve the road network as fewer intermediary goods are moved to and from the TfSE area. However, this could be due to forecast advances in technology meaning these industries may require fewer people but may still generate the same freight activity on the networks.
Manufacturing	**217,190**	**6%**	**-7%**	**-30%**	
Construction	**271,229**	**7%**	**15%**	**26%**	A growth in construction activity, and the delivery of several major housing developments will increase traffic and may cause disruption to the regional and local highway networks around these sites. New developments may then generate new movements which need careful consideration of how to incentivise a shift to sustainable modes such that growth does not lead to longer-term urban congestion. However, high construction growth also could indicate that there may be local capability in supporting the delivery, maintenance and renewal of transport assets.
Trade (b2b)	**544,112**	**14%**	**-2%**	**7%**	Transport plays a role in realising the agglomeration benefits of complimentary businesses being able to be more productive together, leading to concentration and specialisation of certain business types in specific areas. For example, maritime related services around the Solent. The freight handled by Dover and Southampton Ports, and the supporting Transport and Logistics activity to facilitate this is expected to grow. This may put a strain on our arterial highways to these ports, such as the M2, M20, M3 and A34.
Transportation	**199,545**	**5%**	**17%**	**8%**	
Retail (b2c)	**269,449**	**7%**	**10%**	**26%**	Trade, Retail, Public and Professional services jobs will continue to grow, particularly in urban areas, which may mean our transport networks will have to accommodate more commuters, both in the traditional peaks and throughout the day, as consumers still prefer to physically access retail and services, but there also being more local freight deliveries for consumers who prefer to get things shipped to their homes. Higher value professional sectors growing, such as in IT and management administration activity, may lead to better economic outcomes for certain areas of the South East which may stimulate the demand and funds for transport. However, professional service roles may have a higher proportion of working from home which may affect the location of roles, and reduce travel.
Professional Services	**1,045,440**	**27%**	**7%**	**17%**	
Public Services	**1,034,324**	**27%**	**8%**	**5%**	
Other	**146,367**	**4%**	**6%**	**9%**	

Source: Local Economic Forecasting Model developed by Cambridge Econometrics (2024)

Industrial and Economic Context

Figure 1.9b: Recent changes to the industrial make-up of Industrial sectors by Local Transport Authority (2022 vs 2012)

	Berkshire	Brighton & Hove	East Sussex	Hampshire	Isle of Wight	Kent	Medway	Portsmouth	Southampton	Surrey	West Sussex	TfSE	UK
Primary sector	***19%***	*-15%*	*2%*	***27%***	*-27%*	***21%***	*-33%*	*17%*	*24%*	*-26%*	*-5%*	**6%**	**-6%**
Manufacturing	*0%*		*0%*	*-13%*	*-16%*	*-7%*	*-5%*	***-34%***	*4%*	*-9%*	*8%*	**-7%**	**1%**
Construction	*9%*		*11%*	*9%*	*12%*	***31%***	***24%***	*14%*	*5%*	*7%*	*19%*	**15%**	**11%**
Trade (b2b)	*-4%*	*4%*	*-2%*	*3%*	*-7%*	*0%*	*-4%*	*-1%*	***-6%***	***-10%***	*1%*	**-2%**	**-1%**
Transportation	*8%*		***34%***	***14%***	***29%***	***28%***	***32%***	***13%***	***27%***	***10%***	***10%***	**17%**	**24%**
Retail (b2c)	*10%*	*4%*	***13%***	***10%***	*-4%*	***24%***	*13%*	*2%*	*-3%*	*9%*	*4%*	**10%**	**25%**
Professional Services	***17%***	***11%***	*6%*	*-1%*	***17%***	***14%***	***16%***	***-15%***	*1%*	*0%*	*3%*	**7%**	**23%**
Public Services	***11%***	***11%***	*7%*	*4%*	*-5%*	***12%***	*3%*	*5%*	***15%***	*5%*	*5%*	**8%**	**13%**
Total	**9%**	**7%**	**6%**	**1%**	**-2%**	**12%**	**6%**	**-6%**	**6%**	**0%**	**11%**	**6%**	**13%**

High growth in transport jobs across most areas

High growth of construction jobs in Kent and Medway

Mixed growth in professional services jobs in different areas

Sectors which employed more than 10,000 people; and showed a noticeably larger change in the number of jobs relative to other areas and sectors have been highlighted. E.g. Despite a 27% reduction in primary jobs in the Isle of Wight, this sector only employed under 2000 people in 2012, and under1500 in 2022.

Source: Local Economic Forecasting Model developed by Cambridge Econometrics (2024)

Social and Environmental Context

Deprivation

There are substantial pockets of deprivation, notably in urban areas.

As illustrated by **Figure 1.10,** prosperity and deprivation varies significantly across the area, with several pockets of deprivation both in urban and rural areas. **Figure 1.12** shows that deprivation exists at a local level, as well as at a regional level.

At a TfSE level, socioeconomic outcomes tend to be weaker in the east of the region and strongest in the north-west. Areas with the highest deprivation are primarily urban, especially concentrated in larger southern towns in cities, such as Southampton, Portsmouth, Brighton & Hove, Reading, Slough and Folkestone. A band of more deprived rural areas runs north-south through central Kent. The least deprived areas are mostly peripheral to the region's Major Economic hubs, especially those with strong connections to London in the North West of the area.

Poor transport connectivity can be a factor which significantly limits an areas prosperity, acting as a barrier to employment opportunities and services. It is therefore important that these areas are prioritised for transport investment in the future. However, it is also acknowledged that transport investment, on its own, is rarely enough to address long standing socioeconomic problems.

Air Quality

The most significant air quality challenges are found in urban areas.

As illustrated by **Figure 1.11 and 1.12,** there are many air quality management areas throughout the region in place to tackle poor air quality.

These are particularly focused around the urban areas; in the London periphery; Southampton; Portsmouth; and Brighton & Hove. These are the most heavily urbanised areas of the region, and therefore have the highest densities of housing, transport and industry. Highways are one of the most significant contributors to poor air quality, and many of the worst areas are found where large inter-urban corridors and strategic roads pass through urban areas. This is particularly notable in Portsmouth and Southampton, which have a high density of major roads. There are also notable clusters along the M2/A2, and M20/M25/M25 corridors. Outliers to these trends, tend to be associated with small urban areas along busy rural routes, such as in Hawkhurst, Cowfold, or Midhurst.

Carbon

The rate of decarbonisation varies across the area.

Figure 1.13 shows that some areas in the Thames Valley, Southampton, Brighton & Hove and Gatwick Diamond are decarbonising faster than other areas such as Kent. There could be range of factors for why this is the case.

Protected Areas, Landscapes and Ecology

The area has a rich natural environment and heritage that is cherished by local residents and visitors.

Figure 1.14 shows Protected Areas and **Figure 1.15** shows Landscape Character Areas of the TfSE area. The TfSE has extensive coverage of protected areas with two large National Parks; The New Forest, and The South Downs. There are further larger Areas of Outstanding Natural Beauty including the Kent Downs, The Surrey Hills, High Weald and North Wessex Downs. There are many RAMSAR protected wetlands. There are over 15,000 ancient woodland sites, and over 250 sites of special scientific interest.

Figure 1.16 shows the dense distribution of heritage locations across the TfSE area. There is broad coverage of heritage destinations across the area with particularly dense areas including the South Downs National Park.

Figure 1.17, shows many large areas of flood risk associated with rivers and coastal regions.

The east of the region is particularly at risk with large areas of reclaimed marshland around Medway, Thanet, and Romney Marsh attributed as flood risk zone 3. With climate change and more extreme weather events, the threats of flooding is worsening, and may form a barrier to the level of development and transport that could be delivered.

Figure 1.10: Indicators of Multiple Deprivation

Regional Transport Strategy for the South East

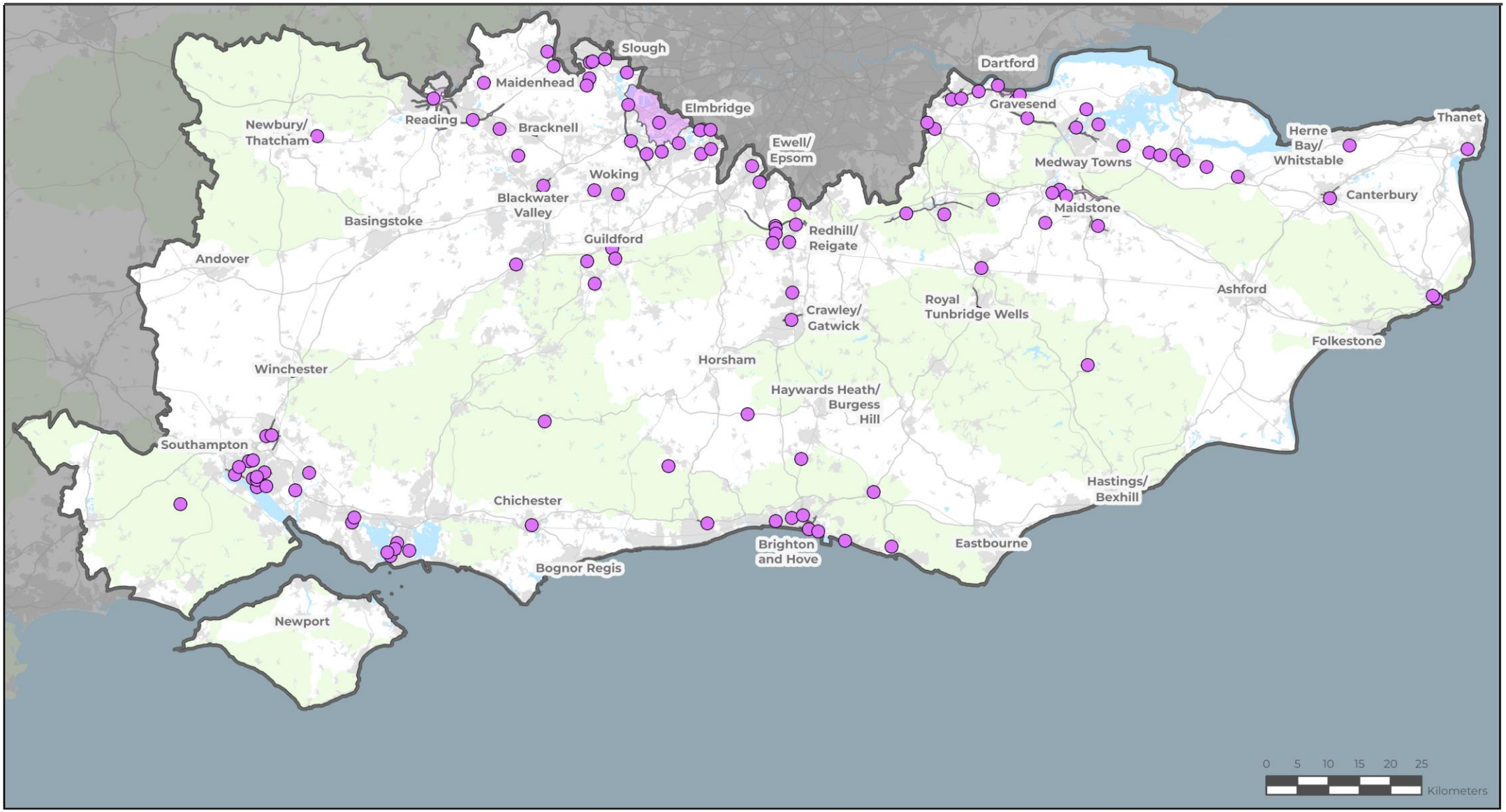
TfSE Area

Index of Multiple Deprivation,2019 - Decile (DCLG)

- Top 10% most deprived area
- 10-20% most deprived area
- 20-30% most deprived area

Source: Steer analysis of Indicators of Multiple Deprivation *by Ministry of Housing, Communities and Local Government (2019)*

Figure 1.11: Air Quality Management Areas



Regional Transport Strategy for the South East

TfSE Area

Air Quality Management Areas

Source: AQMA areas, DEFRA (2024)
Steer analysis of speeds using StreetPro (2024)

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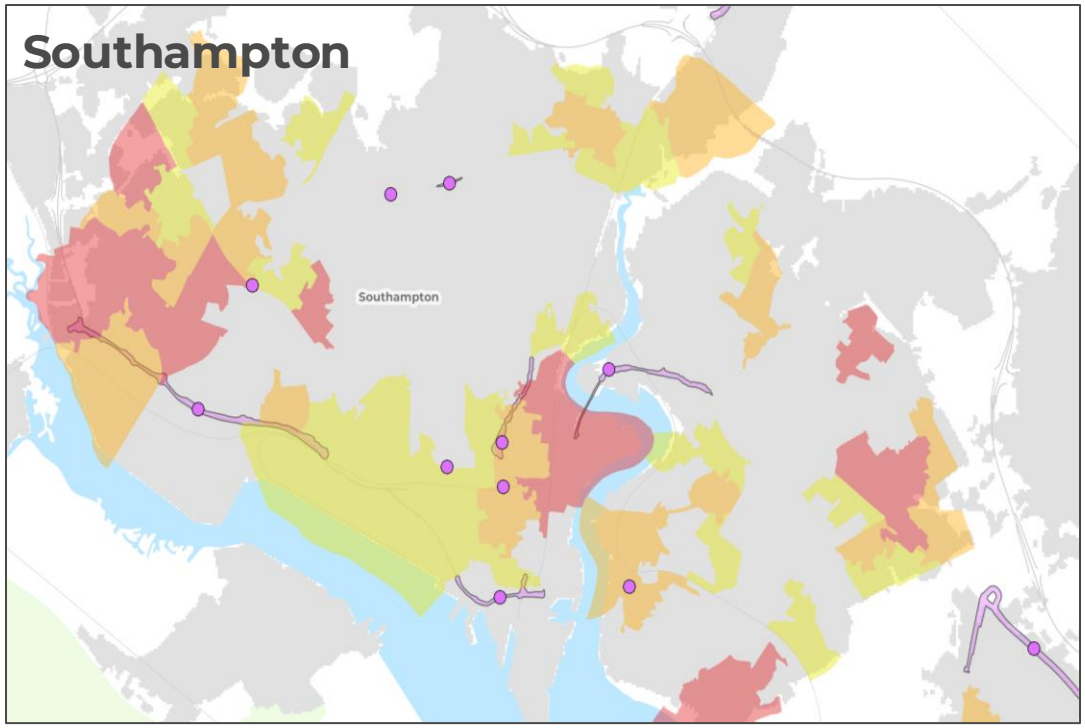
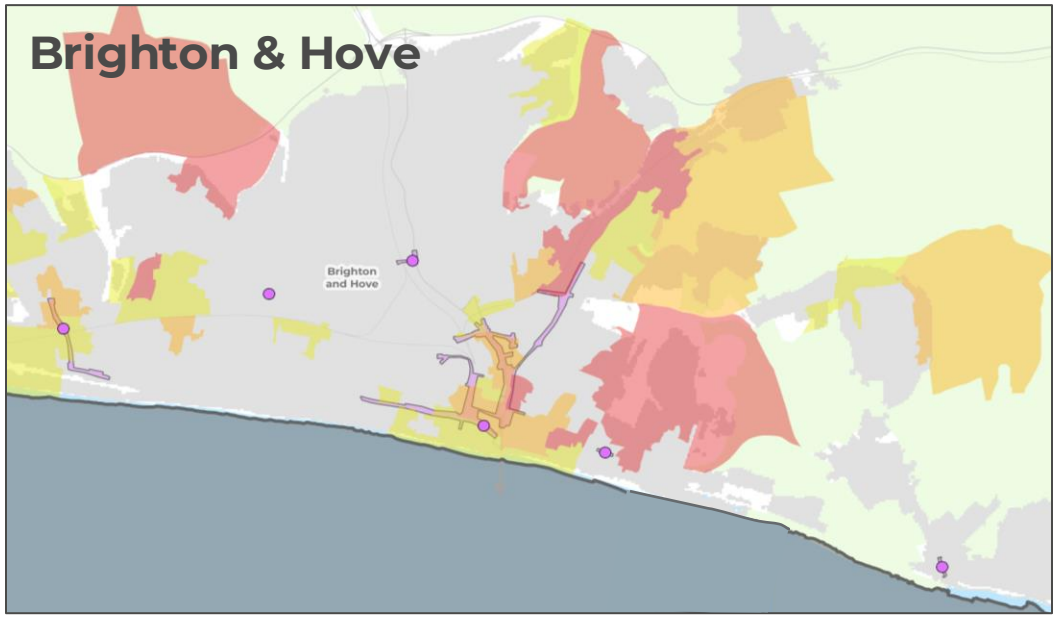
Figure 1.12: Air Quality Management Areas and Indices of Multiple Deprivation – select urban areas





Air Quality Management Areas

Index of Multiple Deprivation,2019 - Decile (DCLG)

- Top 10% most deprived area
- 10-20% most deprived area
- 20-30% most deprived area

Source: Steer analysis of Indicators of Multiple Deprivation *by Ministry of Housing, Communities and Local Government (2019) and AQMA (DEFRA)*

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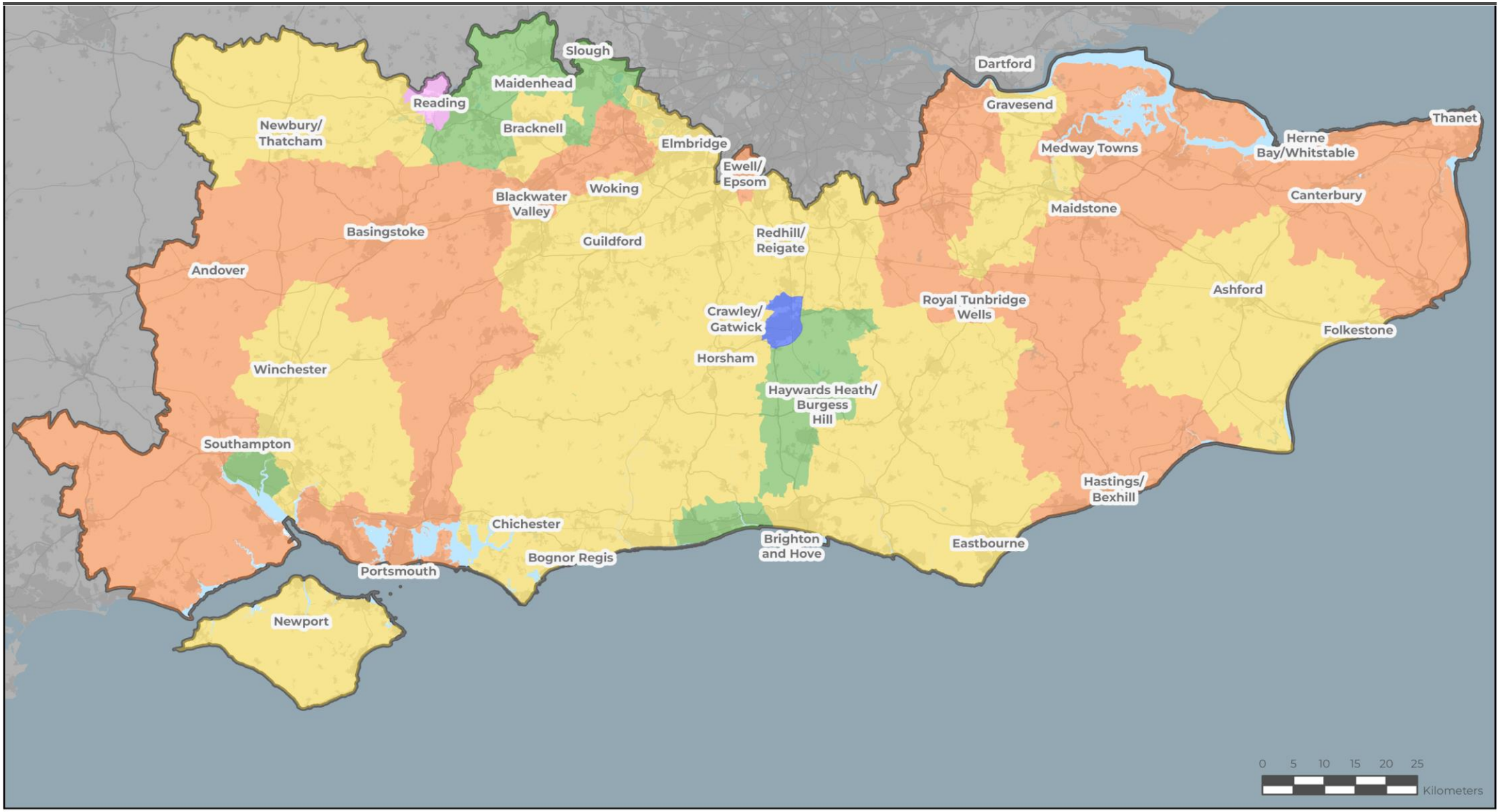
Figure 1.13: Percentage change in carbon emissions between 2012 and 2022



Regional Transport Strategy for the South East

TfSE Area

Percentage Transport Emissions Change (2012-2021)

- < -25%
- -24% - -21%
- -20% - -16%
- -15% - -10%
- > -10%

Source: Steer analysis of transport emissions reported by Local Authority, BEIS (2022)

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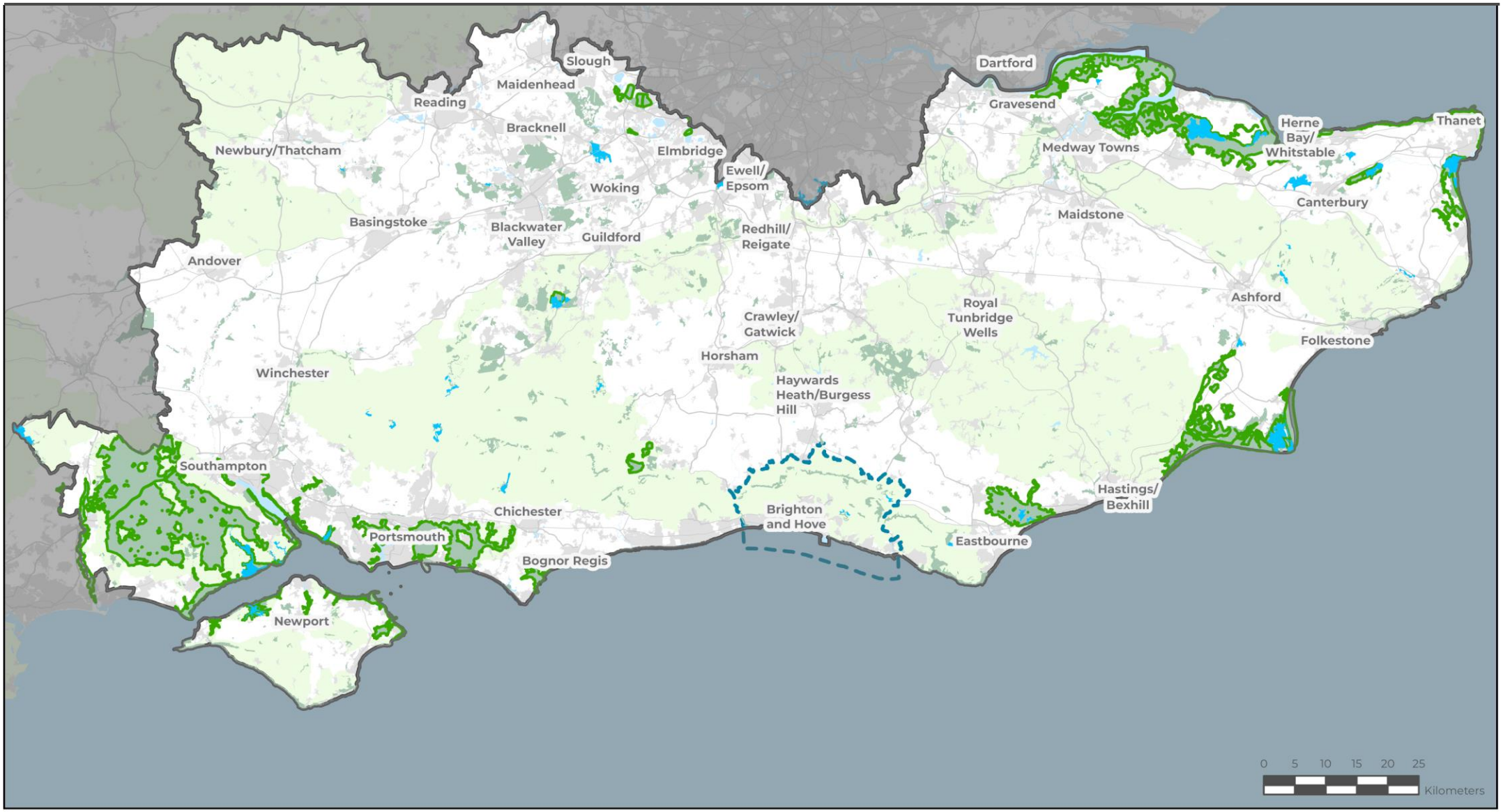
Figure 1.14: Protected Areas



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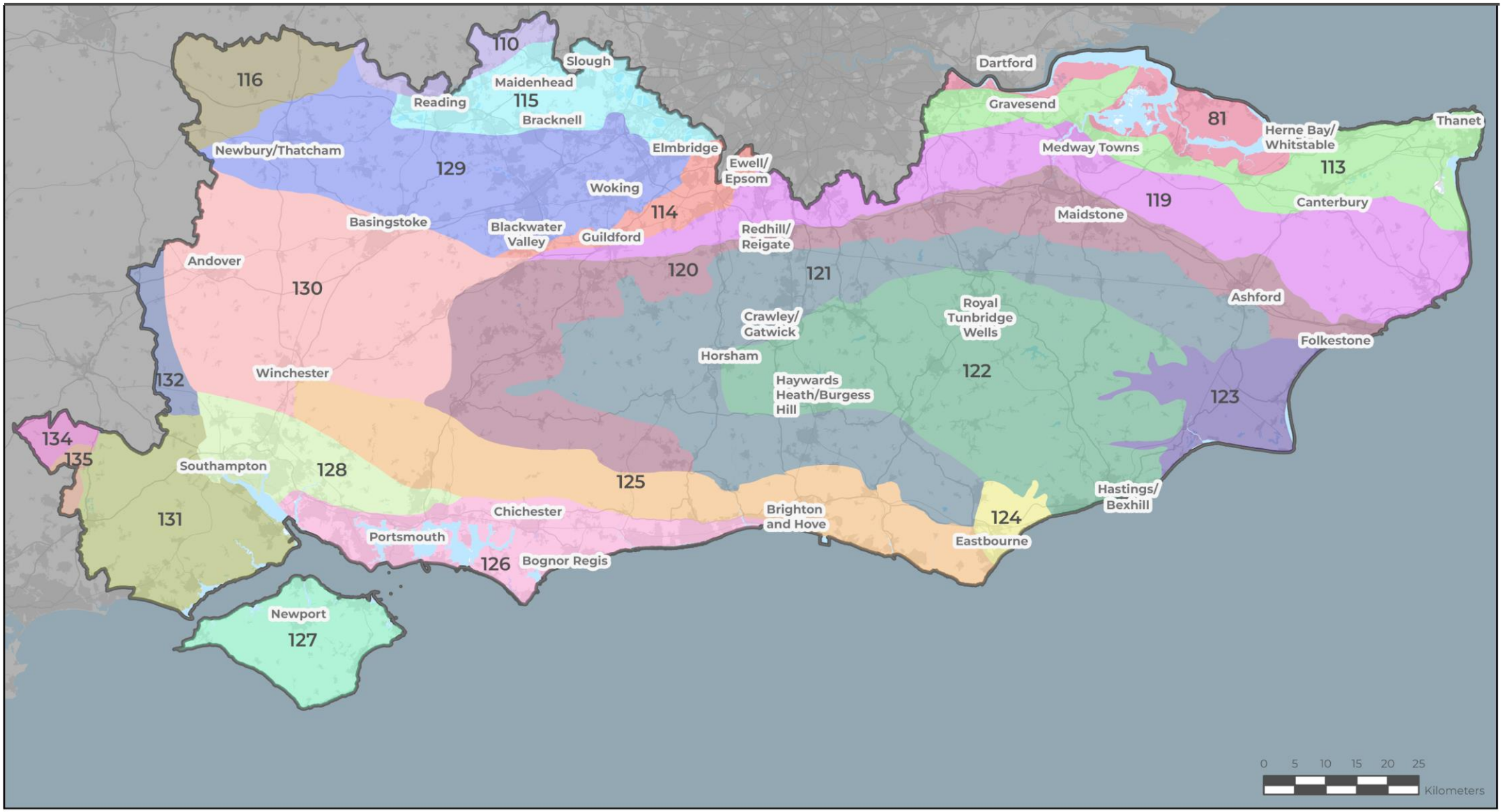
- TfSE Area
- National Nature Reserves
- RAMSAR - Protected wetland sites
- SSSI
- National Parks/AONB
- Biosphere Reserve

Source: © OpenStreetMap contributors, Contains OS data ©Crown copyright and database right (2023), Natural England

Source: Steer analysis of data by Natural England

Figure 1.15: Landscape Character Areas



Regional Transport Strategy for the South East

TfSE Area

National Character Area

- 110 Chilterns
- 113 North Kent Plain
- 114 Thames Basin Lowlands
- 115 Thames Valley
- 116 Berkshire and Marlborough Downs
- 119 North Downs
- 120 Wealden Greensand
- 121 Low Weald
- 122 High Weald
- 123 Romney Marshes
- 124 Pevensey Levels
- 125 South Downs
- 126 South Coast Plain
- 127 Isle of Wight
- 128 South Hampshire Lowlands
- 129 Thames Basin Heaths
- 130 Hampshire Downs
- 131 New Forest
- 132 Salisbury Plain and West Wiltshire Downs
- 134 Dorset Downs and Cranborne Chase
- 135 Dorset Heaths
- 81 Greater Thames Estuary

Source: Steer analysis of data by Natural England

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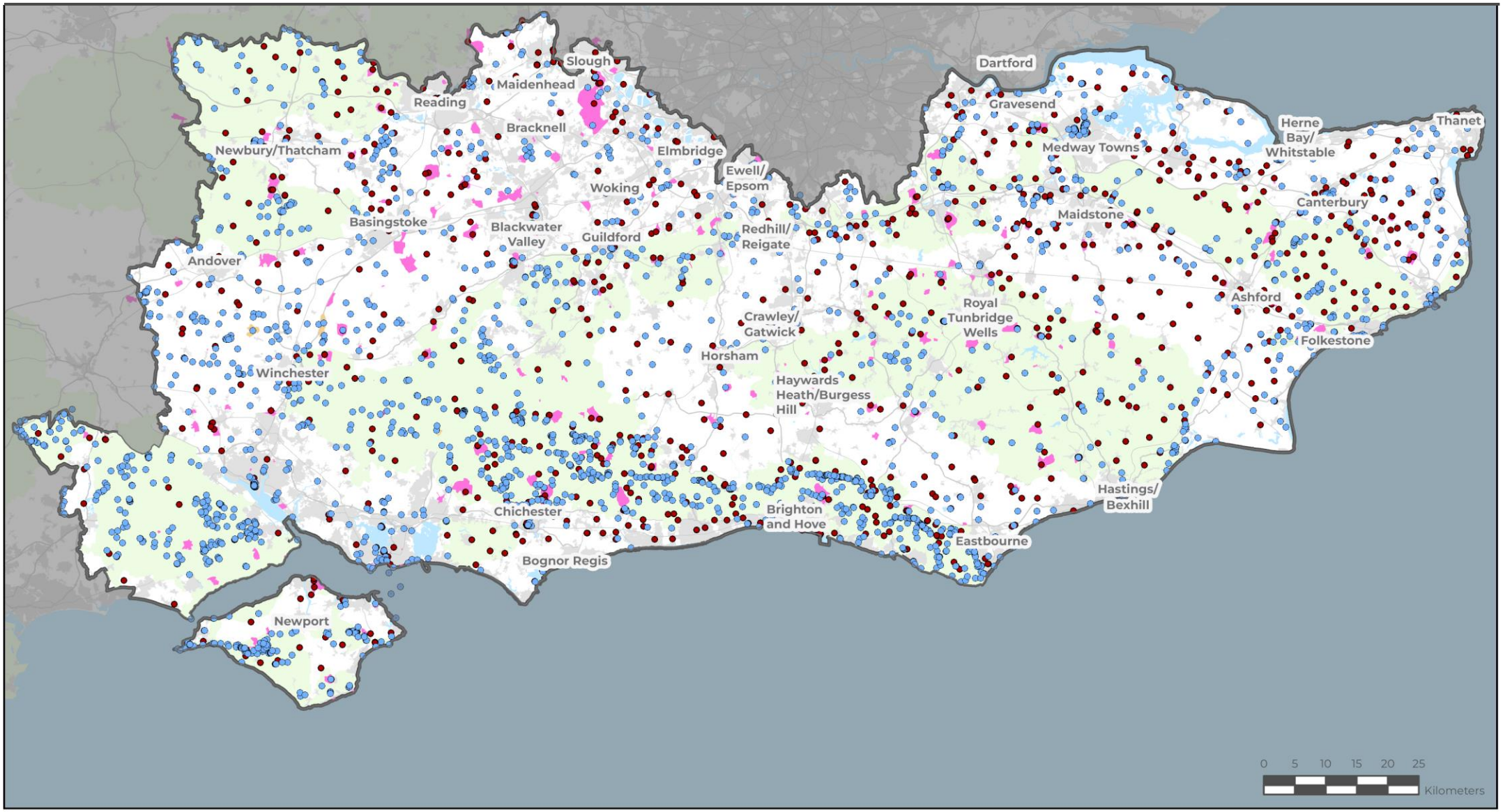
Figure 1.16: Heritage



Regional Transport Strategy for the South East

- TfSE Area
- Ancient Scheduled Monument
- Grade 1 Listed Buildings
- Historic Parks/Garden
- National Parks/AONB

Source: Steer analysis of data by Historic England

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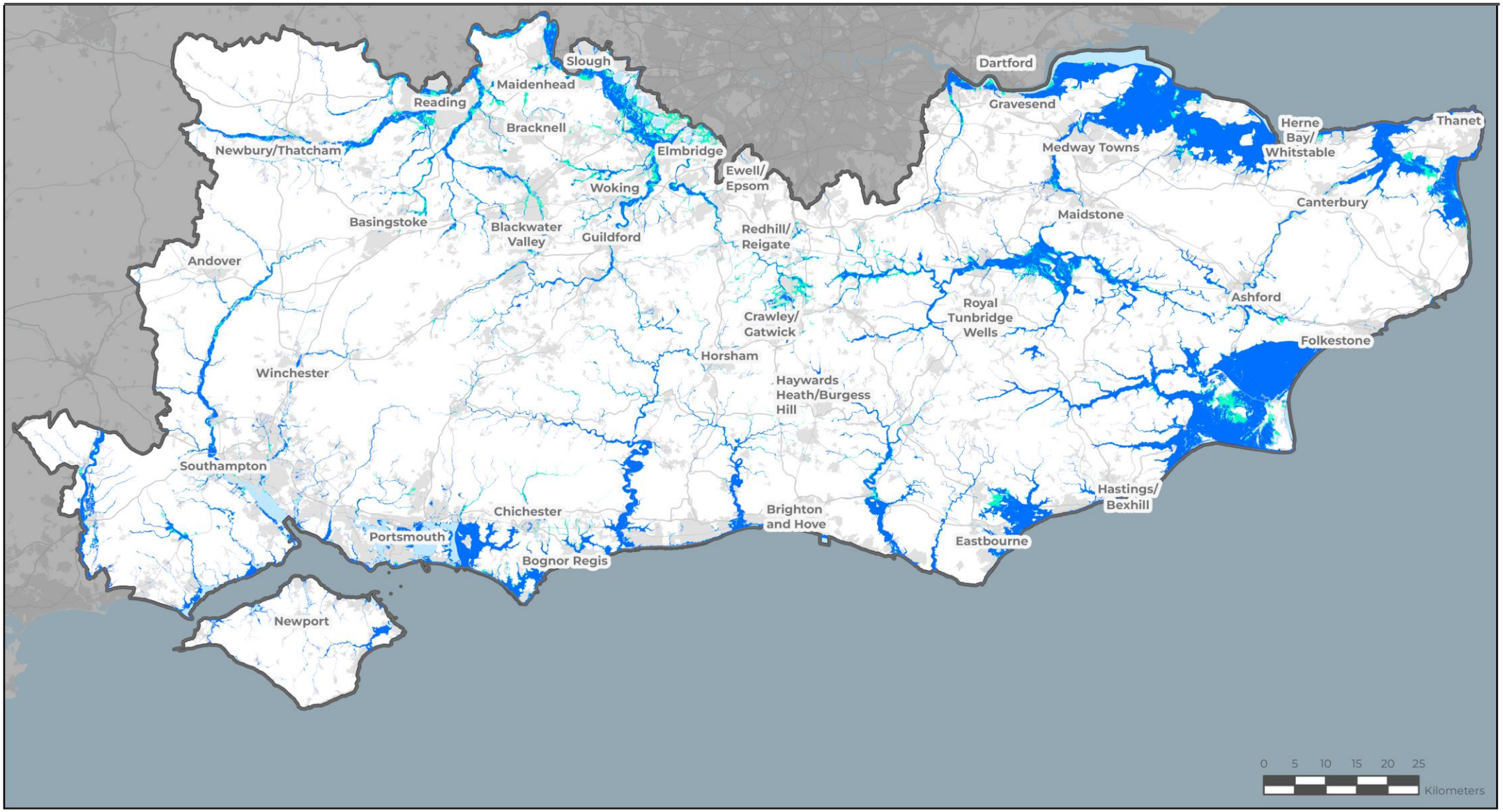
Figure 1.17: Flood risk distribution



Regional Transport Strategy for the South East

TfSE Area

Flood Zone 2

Flood Zone 3

Zone 2 - 0.1 - 1% chance of flooding each year
Zone 3 - ->1% chance of flooding each year from rivers, or >0.5% chance of flooding each year from sea

Source: © OpenStreetMap contributors, Contains OS data ©Crown copyright and database right (2023), Natural England, DEFRA

Source: Steer analysis of data by Natural England and DEFRA

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Focus on Social Exclusion

Groups with protected characteristics

Groups with protected characteristics are dispersed across the geography of the South East.

Under the Equality Act 2010, nine 'protected characteristics' are defined in law, for which it is illegal to discriminate against. Public authorities also have specific requirements in relation to such characteristics in how they undertake their duties.

As shown in **Figures 1.18a-c**, many of these characteristics are dispersed spatially across the TfSE area. Speaking in general terms, people from ethnic minorities are more likely to be concentrated in urban areas, persons identifying as homosexual are more likely to concentrate in specific towns and cities (often associated with a university). An interesting spatial finding in the TfSE area is that persons aged over 65 years old, with a disability, and reporting poor health are in higher concentrations in coastal communities, while younger populations are found in higher concentrations in the north of the TfSE area.

This is important to understand because such groups often have more complex transport challenges, and travel in a myriad of different ways. They are also much more likely to face greater challenges, and even exclusion, in terms of access to services, attitudes from society more generally, and access to employment and education, which in turn affects their experience of travelling.

Digital Exclusion

Digital exclusion is a factor of access to technology, proficiency in its use, attitudes of service providers, and access to internet and mobile services.

In terms of the coverage of digital services, the South East is reasonably well served by high speed broadband and high-speed mobile internet, despite a clear north-south and urban-rural divide in terms of average download speeds. The deployment of new mobile technologies like 5G is also well-advanced across much of the South East, however rural "not-spots" do exist.

In terms of skills, whilst most people have at least foundational technological skills (such as being able to turn on a device, or access the internet), it should be noted that this varies significantly between groups. For example, while 85% of residents of the South East have at least a Foundation Level of technological skill, this drops to 78% for those with a mental health impairment, and 67% for those with a physical impairment.

A notable challenge relates to an increasing 'digital first' approach being taken by transport service providers and operators. Groups which are digitally excluded are more likely to face challenges when it comes to planning for and undertaking journeys that require digital journey planning and purchasing of tickets.

Intersectional exclusion

Aspects of exclusion often intersect to make social exclusion in relation to transport complex and often personalised.

Different aspects of social exclusion do not often act in isolation. Instead, different aspects of social exclusion can act in a reinforcing manner to exacerbate challenges in accessing transport services.

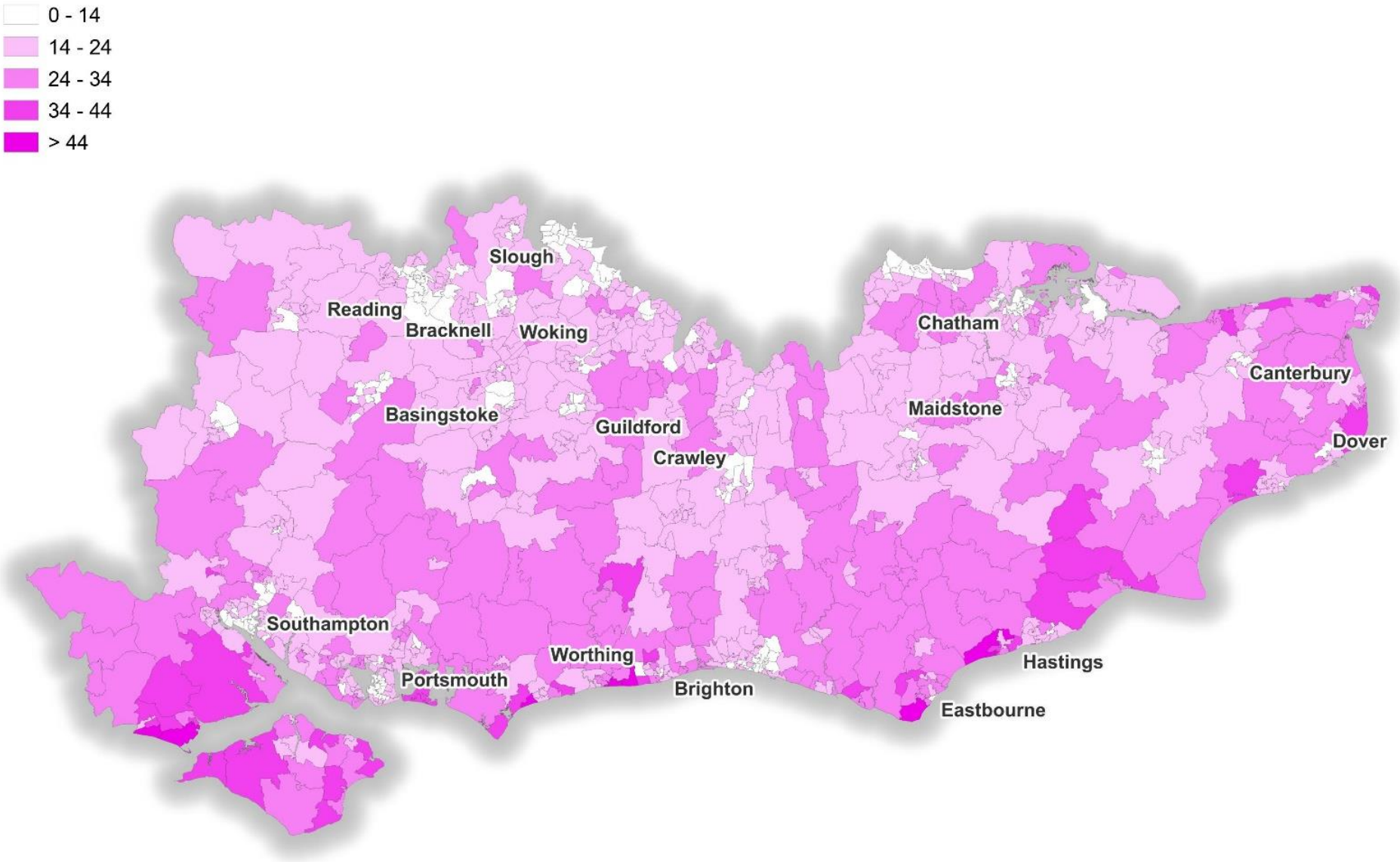
A notable and evidenced relationship is between levels of deprivation and different protected characteristics. Where, for example, lower levels of income can make existing aspects of exclusion (e.g. based on race or gender) more challenging to overcome.

This has implications for transport policy in two ways. First is that overcoming social exclusion issues in relation to transport is complex, and requires a multi-faceted approach linking up with other areas of, for example, social policy, skills, and economic policy.

Second is that this holds the potential for specific transport interventions to make a significant impact across a number of areas. For example, a package of public transport measures including low fares and training for staff could significantly benefit a number of groups.

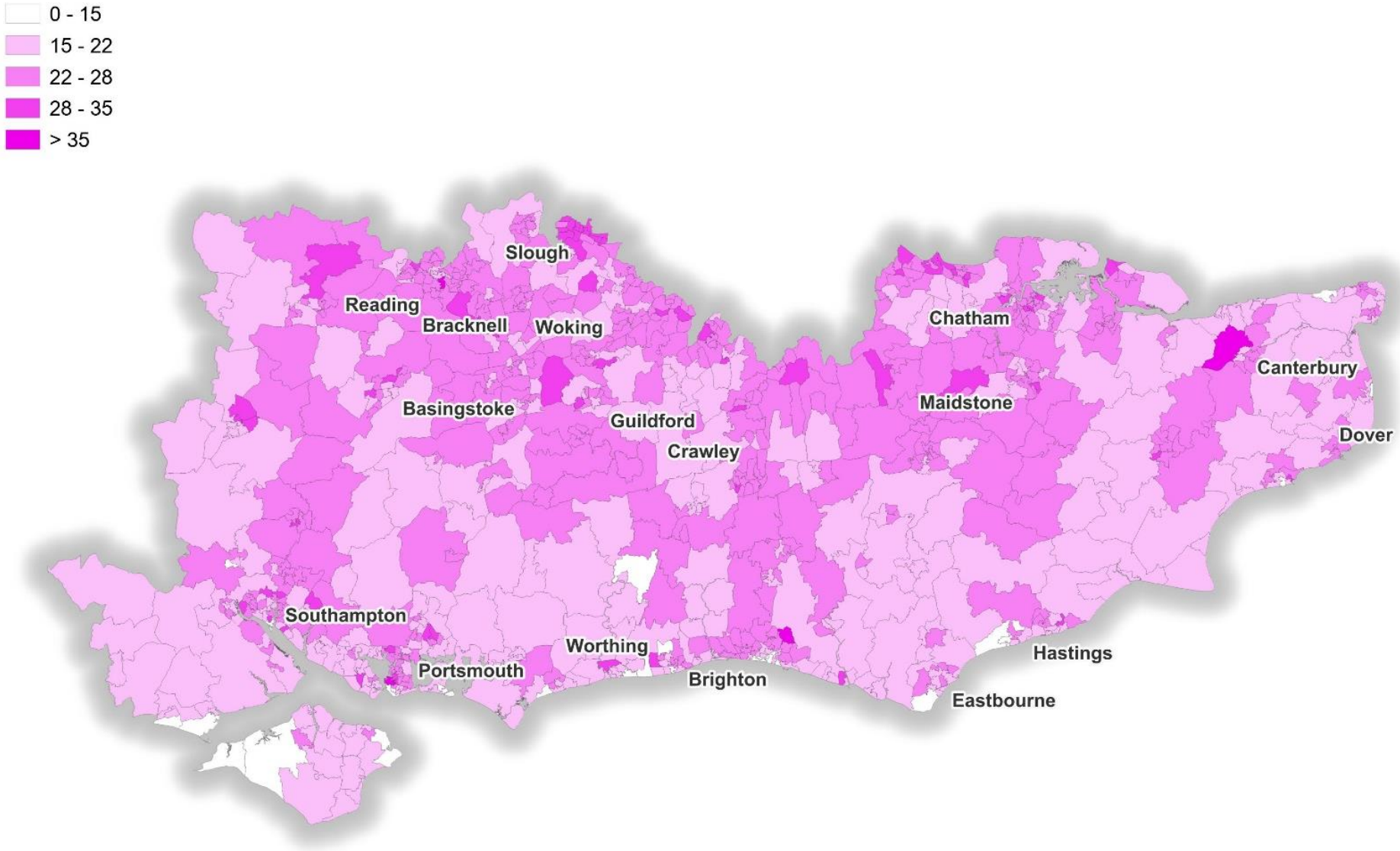
**Some specific analysis was undertaken by AtkinsRealis to understand the extent of social exclusion across the TfSE area, and its relationship with transport. This page summarises key highlights of this work to date, with data analysis from ONS statistics and the Essential Digital Skills Survey by Lloyds Bank*

Figure 1.18a: Percentage of population aged over 65 years old by Mid-Layer Super Output Area



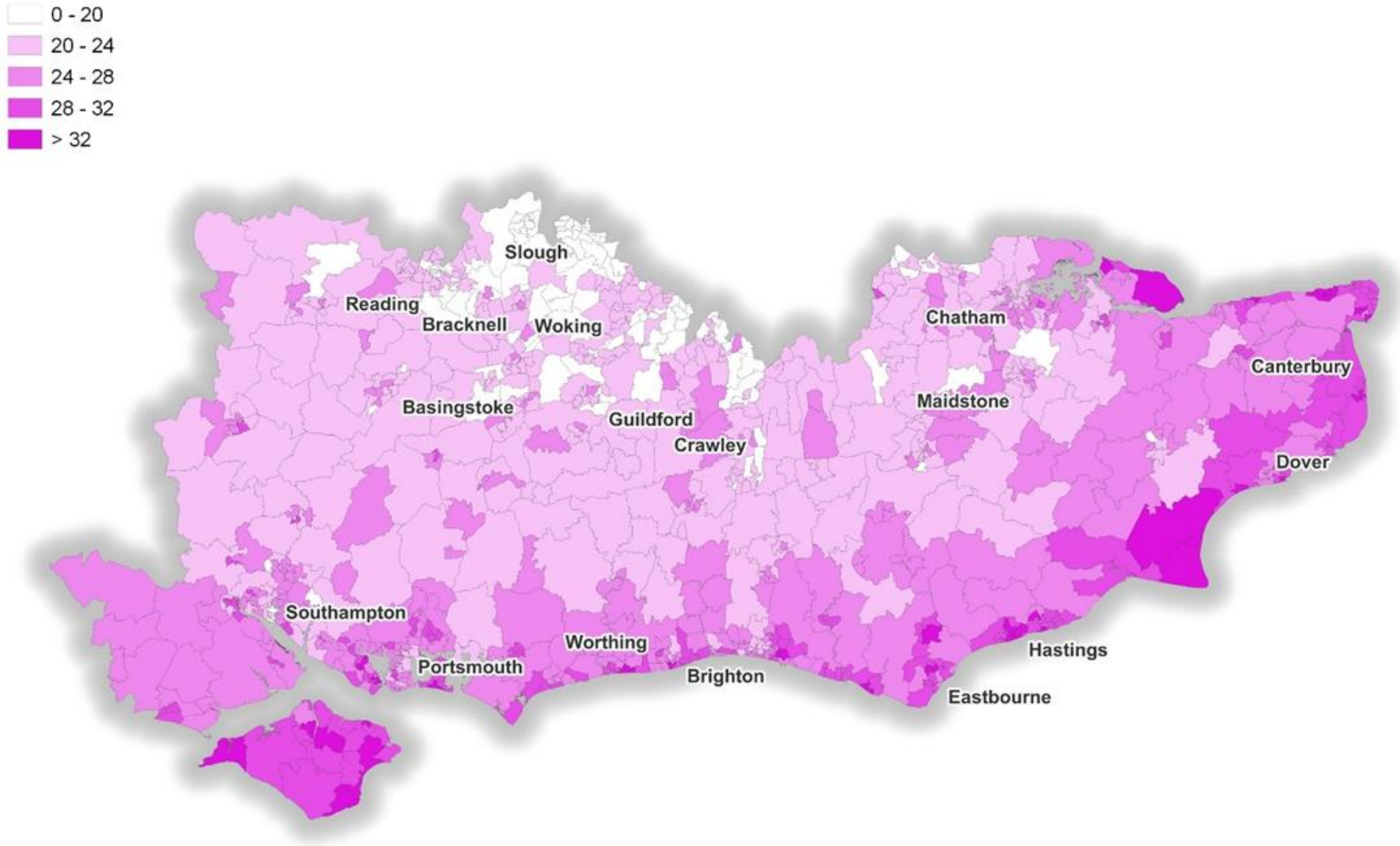
Source: Census 2021

Figure 1.18b: Percentage of population aged 19 years old and younger by Mid-Layer Super Output Area



Source: Census 2021

Figure 1.18c: Percentage of population with a disability by Mid-Layer Super Output Area



Source: Census 2021

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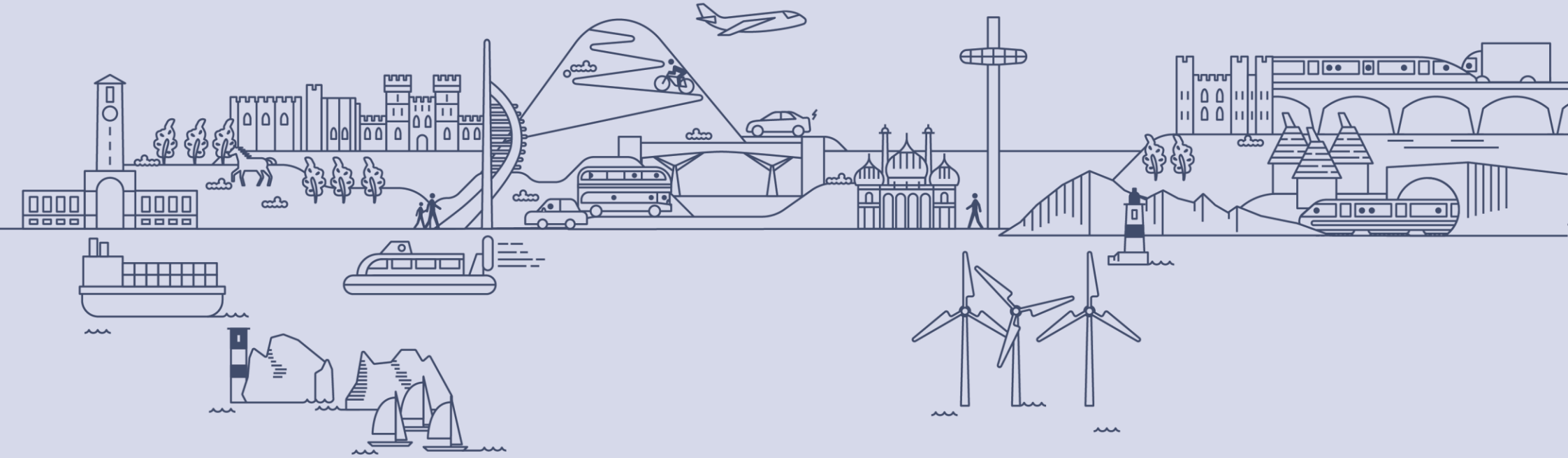


Part 1c

Transport Context

Highways

Strategic Highways

Strategic highway connectivity in the TfSE area is mixed.

Figure 1.19 shows the key highways and congestion hotspots throughout the TfSE area.

The area includes several strategic high-capacity radial corridors and the M25 which provide strategic connectivity between the TfSE area, and to London and the rest of Great Britain, and carry most of the longer-distance passenger and freight traffic into, out of and within the region.

Despite widespread coverage facilitating radial movements, there are large gaps in the network across Surrey and Sussex with few major orbital routes beyond the M25 and the South Coast.

There is poor provision along the southern coastal corridor which is reliant on small and congested highways. This is primarily the M27 and A27 which is motorway grade west of Portsmouth, but very variable to the east.

In Kent, provision of high capacity routes beyond the M2 and M20 is sparse. These routes are critical in serving Dover Port and facilitating trade with the continent, however they can get congested, particularly during peak periods and holiday periods.

Congestion hotspots exist near junctions between radial routes and the M25, and at highway junctions connecting most major urban areas, such as around Guildford and the Medway Towns.

Urban Highways

There are significant local highway challenges in most urban conurbations.

Figure 1.20 shows the key congestion hotspots in four major conurbations, all of which suffer from significant congestion issues, particularly in the AM peak.

Urban congestion present multifaceted challenges that significantly impact the day to day lives of residents and businesses.

From an economic perspective, traffic congestion leads to decreased productivity as people spend more time stuck in traffic, reducing the effective time available for work or leisure, and increasing operational costs for businesses that rely on timely deliveries and services.

From an environmental perspective, idling vehicles exacerbate more emissions than vehicles moving at a consistent speed, contributing to poorer air quality.

Additionally, the spatial and social fabric of urban areas suffers; congested streets detract from the quality of public spaces, discourage walking/wheeling and cycling, and undermine efforts towards placemaking that aims to create vibrant, inclusive, and engaging environments.

Opportunity for change

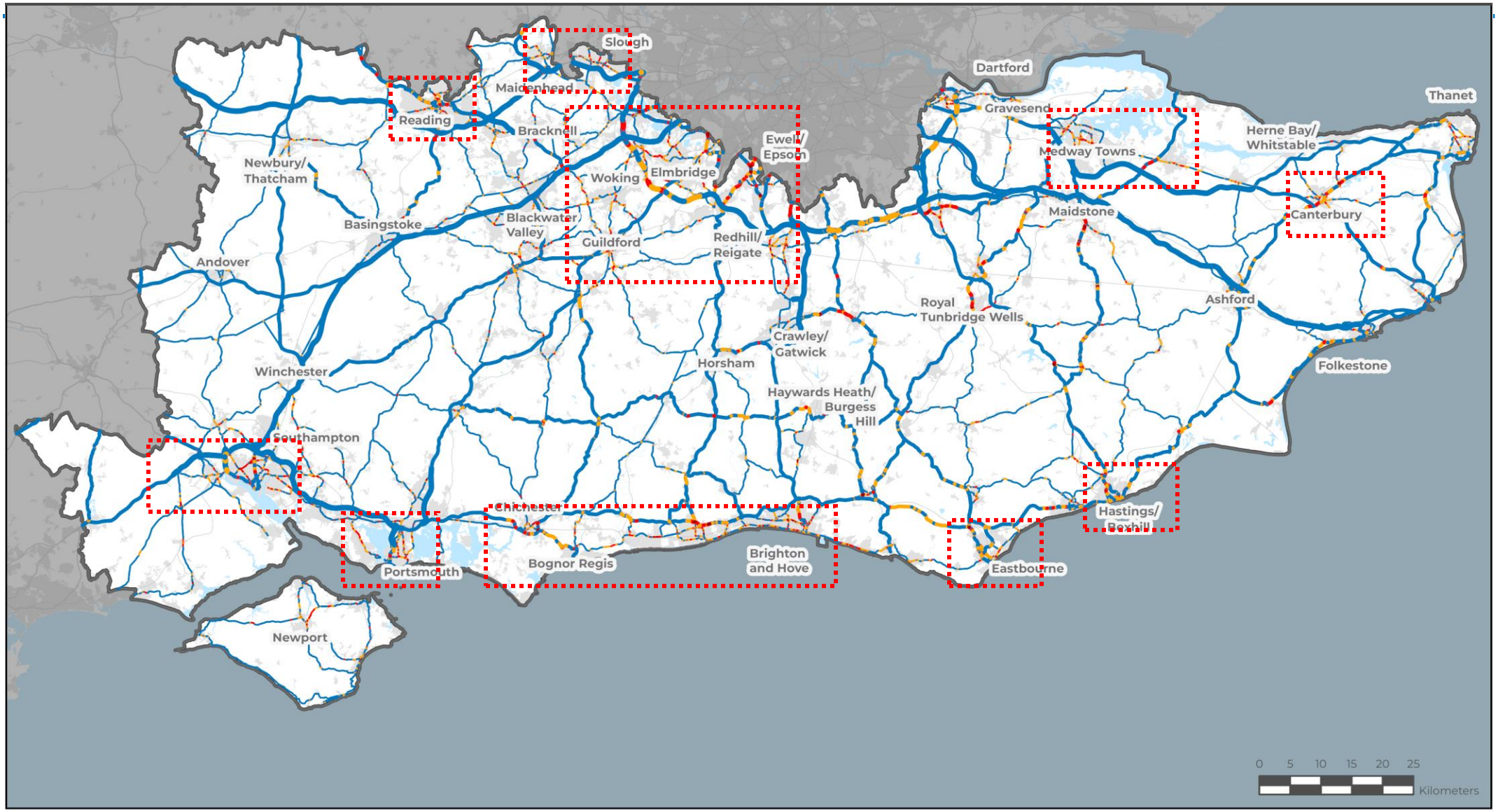
There is limited opportunity for individually tackling congestion hotspots through capacity enhancements and redesigns, these may address issues in the shorter-term but are costly and evidence has shown that in most instances, delivering new road infrastructure will only attract more driving and lead to congestion issues down the line.

As most of our major centres continue to grow, there is a growing need for more mass transit and active travel solutions to support a shift to modes with a smaller footprint and result in a more efficient utility of road space.

Figure 1.21 shows how car ownership varies across the area. Whilst many areas have 2 or more cars per household and there is opportunity to help reduce their reliance on cars to reduce congestion; there are also areas where access to private vehicles is low, and alternatives need to be provided to ensure people can access jobs and key services.

TfSE's vision for planning for people and places, as opposed to planning for vehicles means any future highway investment should support sustainable travel patterns, include provision of mass transit and active travel infrastructure, and seek to maximise local placemaking opportunities to ensure our towns and cities are desirable places to live and work.

Figure 1.19: Highway network and congestion (Including Motorways, Major A Roads and other connecting links)



Regional Transport Strategy for the South East

TfSE Area

Congestion

AM peak as % of night time speed

- < 40%
- 41% - 60%
- 61% - 80%
- 81% - 100%

Steer analysis of speeds using StreetPro (2024)

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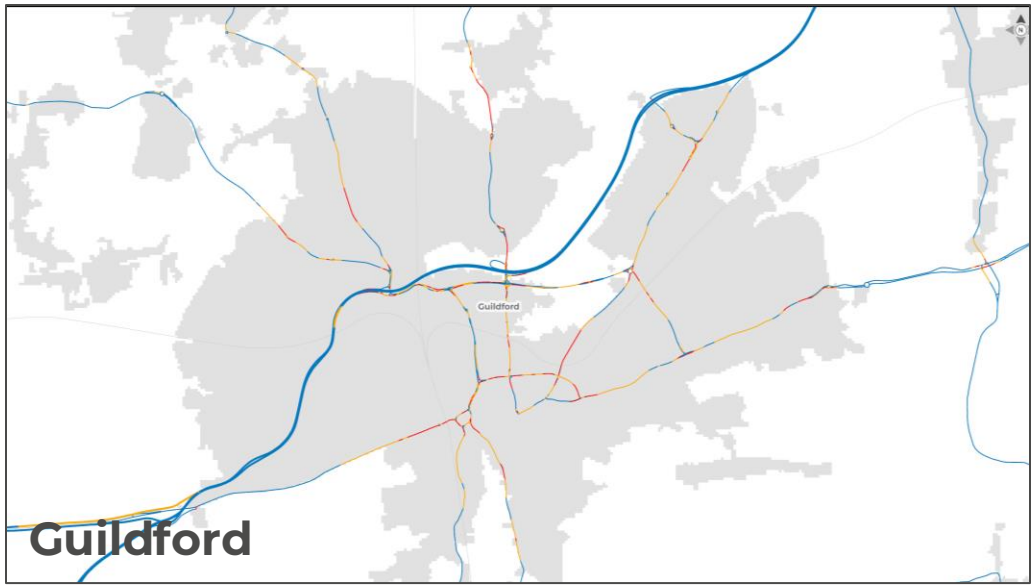
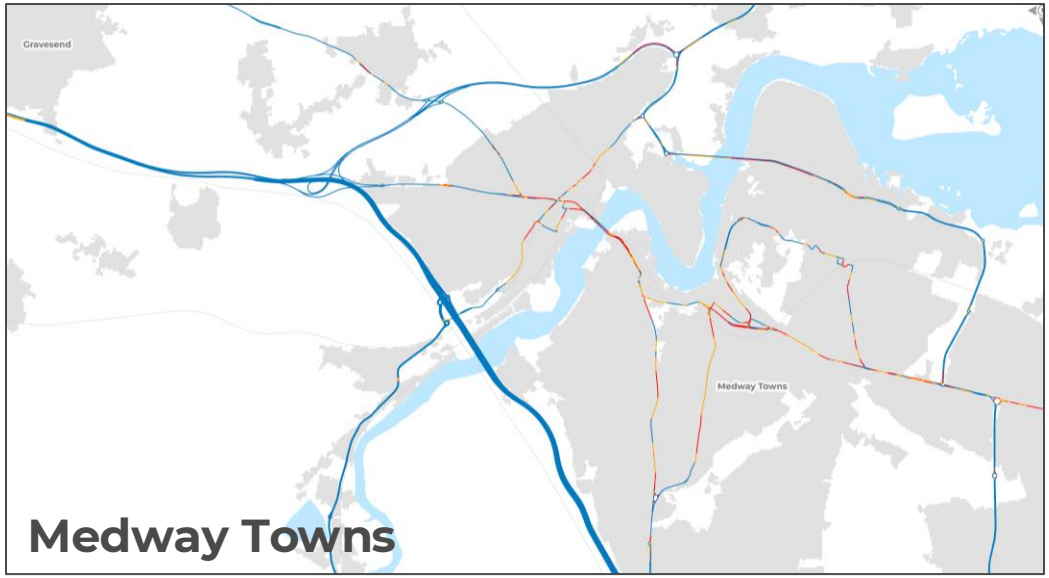
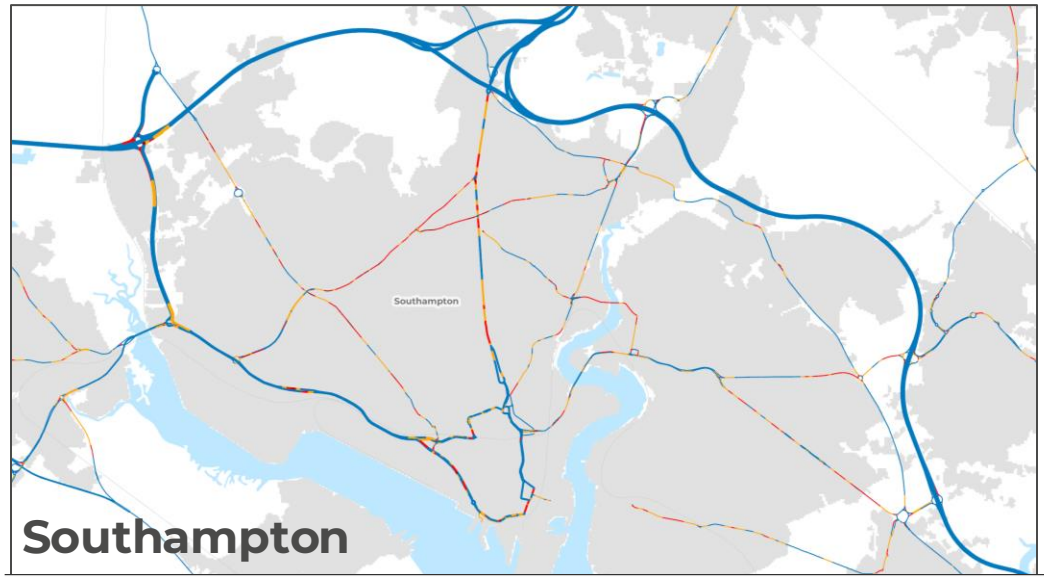
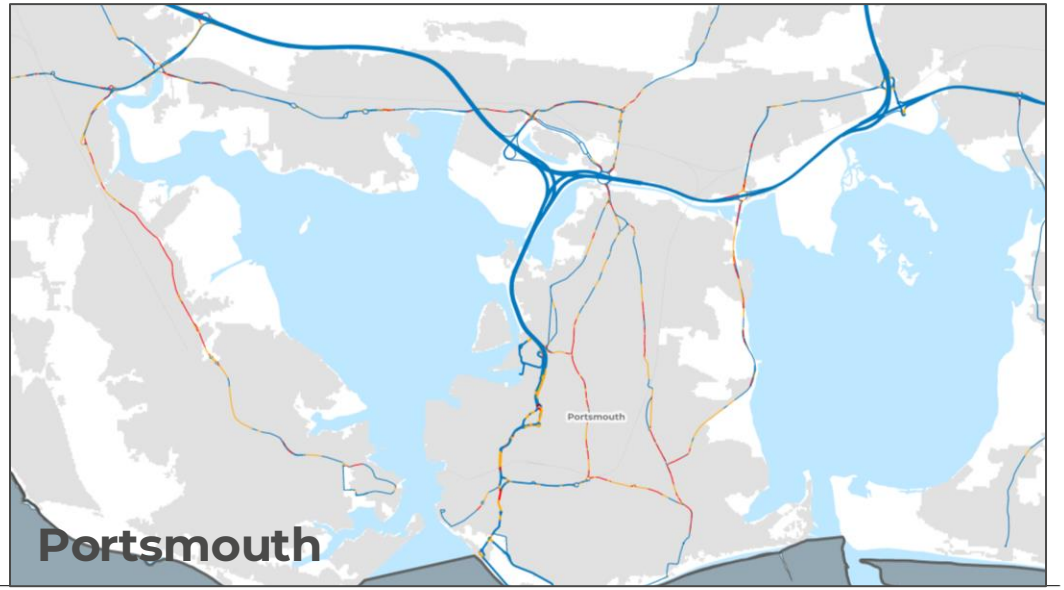
Figure 1.20: Local highway network and congestion in selected major urban conurbations









Regional Transport Strategy for the South East

Congestion

AM peak as % of night time speed

- < 40%
- 41% - 60%
- 61% - 80%
- 81% - 100%

Steer analysis of speeds using StreetPro (2024)

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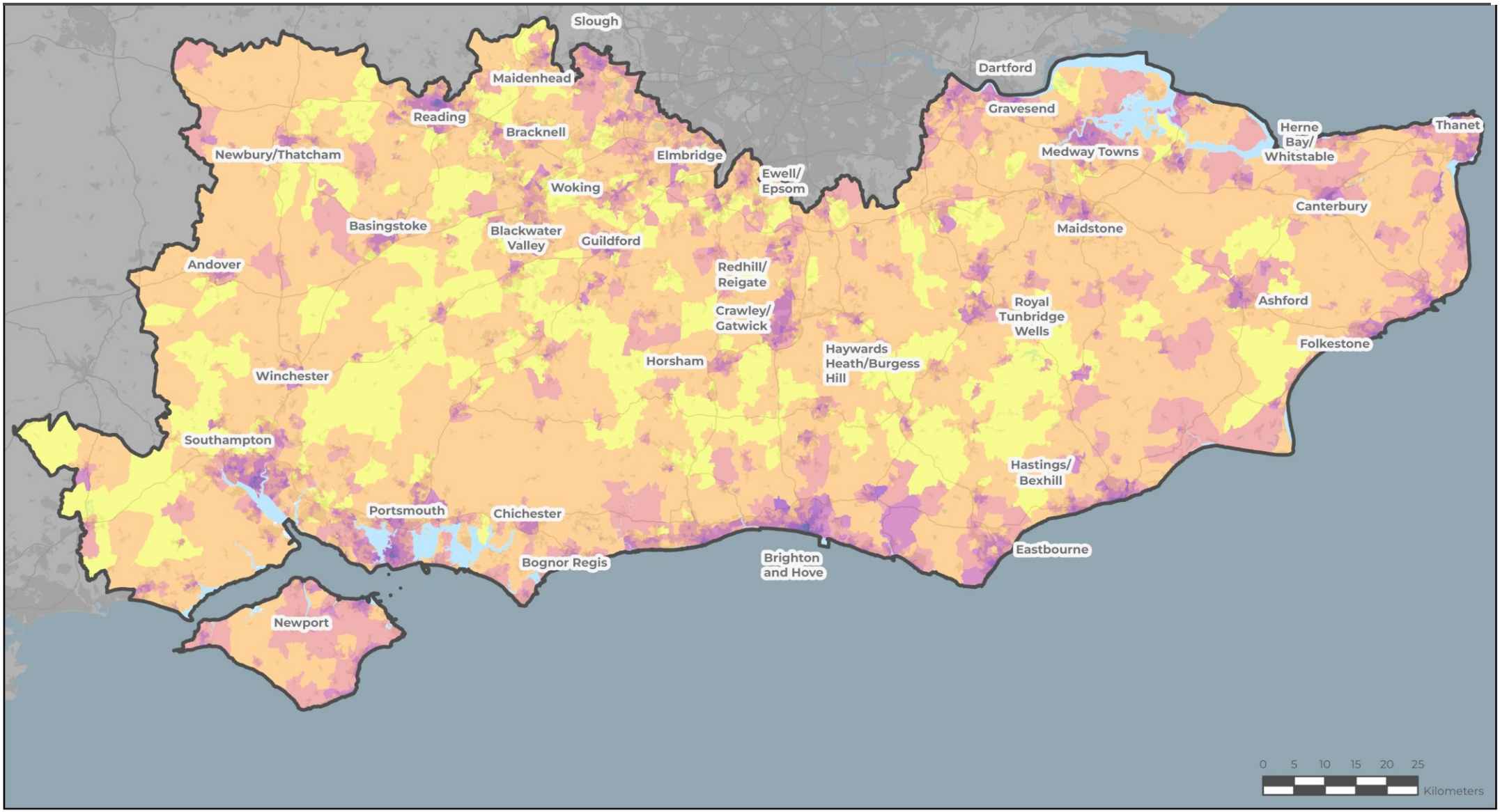
Figure 1.21: Car availability – percentage of households with no cars or vans available for use



Regional Transport Strategy for the South East

TfSE Area

Percent of no car or vans availability in households

1% - 5%

6% - 10%

11% - 20%

21% - 40%

41% - 60%

> 61%

Steer analysis of speeds using StreetPro (2024)

TRANSPORT FOR THE South East

steer

Railways

Service provision

The TfSE area has a relatively dense railway network. However, the level of service provided on orbital routes is generally poorer than on radial routes.

Figure 1.22 presents a map of the rail network and station usage in 2022/23, indicating that much of the rail travel is to and from major conurbations such as Southampton, Brighton and Reading, and ridership being higher along radial lines with fast services to London, such as Winchester, Basingstoke, Woking, Guildford, Tonbridge and Ashford.

Figure 1.23 presents the average speed of rail journeys along select rail corridors and highlights the weaknesses in east-west services compared to radial services.

The poor speeds on orbital lines, such as the North Downs Line, and East and West Coastway line along South Coast are due to the route being used by both stopping services and faster regional services between Southampton, Portsmouth, Brighton and Eastbourne, whereas many of the radial lines are 4-track railways segregating faster and local services.

Improving orbital rail connectivity was a key ambition set in the first strategy. It would alleviate congestion on the road network and bring several towns and cities along the south coast closer together, improving regional productivity, overcoming transport related social exclusion and stimulating growth and prosperity across the region.

Ridership

Rail patronage is recovering more slowly in the TfSE area than other regions.

Figure 1.24 presents the change in vehicle kms operated by the three main Train Operating Companies in the TfSE area, and passenger numbers and passenger kms travelled between 2017/18 and 2022/23.

Whilst there has only been a small reduction in the number of services operated, rail patronage is recovering more slowly in the TfSE area compared to other regions. Patronage is down over 30% on services operated by South Eastern and South Western in the past 5 years. This compares to a 20% reduction across Great Britain.

This reduction is due to the railways being geared to serving commuting to London, and the onset of working from home reducing commuter demand. Leisure travel has recovered faster than commuter and business travel, and may present an opportunity for the region to review timetables and prioritise leisure and freight flows.

Opportunity for change

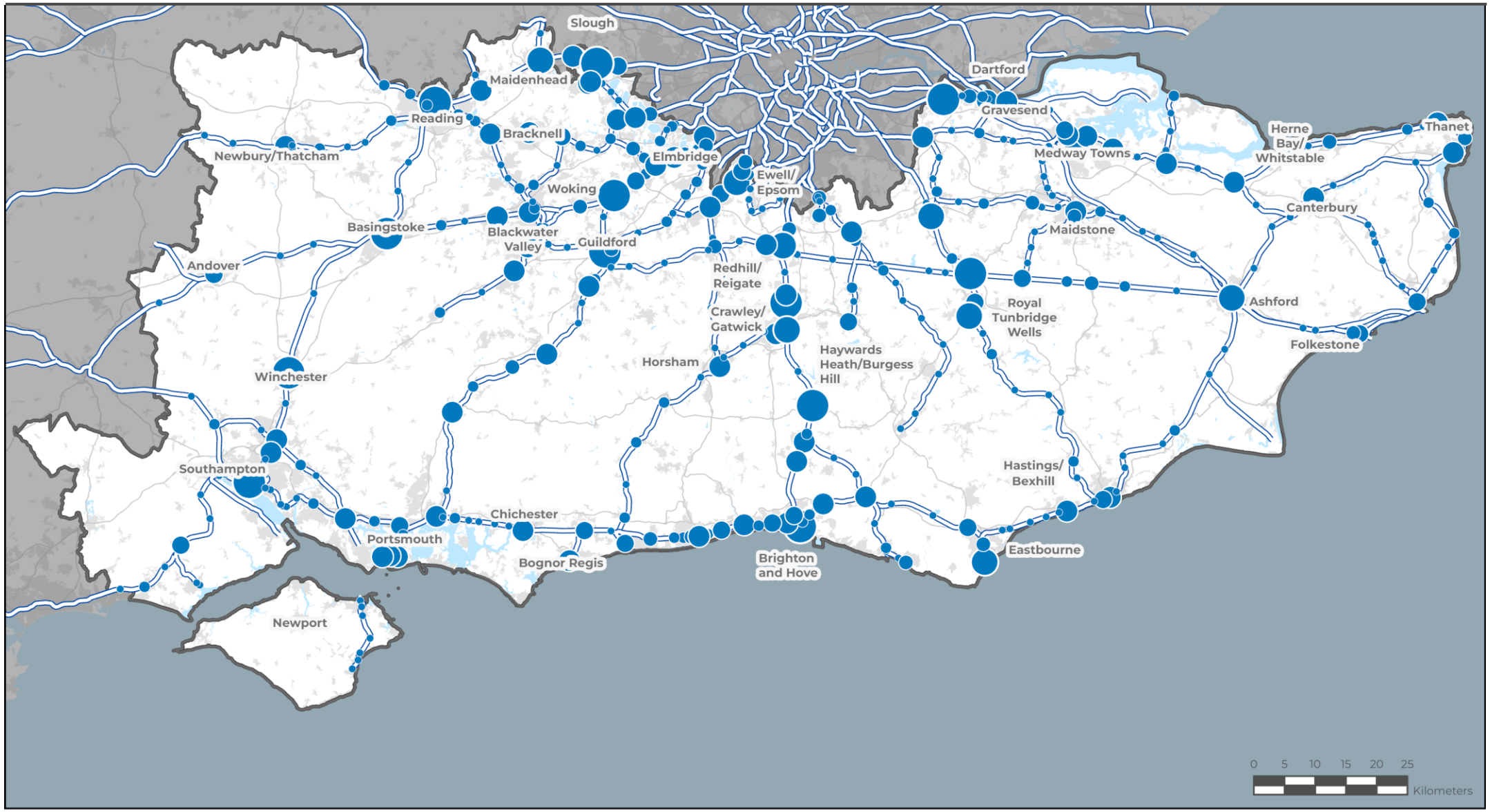
There are opportunities and trade-offs in managing the available railway capacity between local, longer distance, orbital, and radial journeys to maximise outcomes.

Falling rail demand and increased subsidy has meant rail capital investment is being reduced and several high-profile projects, most notably HS2 nationally and the Croydon Area Remodelling scheme regionally have been pushed back and curtailed.

However, rail reform could deliver significant change in how the railways are operated and could provide greater value and choice to the user. It is expected local stakeholders including TfSE may have a greater say in where investment and service enhancements may be prioritised, and that closer working with a newly formed Grear British Railways will reduce fragmentation and allow for simpler lines of communication to enact change and transform national, regional and local rail connectivity across the nation.

Shifting to rail freight is also seen as a proven solution to support decarbonisation objectives. A recently published Rail Freight Growth Target which sets out the aim for increasing rail freight by 75% by 2050. Freight and logistics stakeholders realise the opportunity for shifting to rail, particularly containerised movements from our ports to rail as a key aspiration for improving efficiency and achieving sustainability outcomes.

Figure 1.22: Railway network and station entries and exits



Regional Transport Strategy for the South East

TfSE Area

Rail line

Station entries exits (Total 2022-2023)

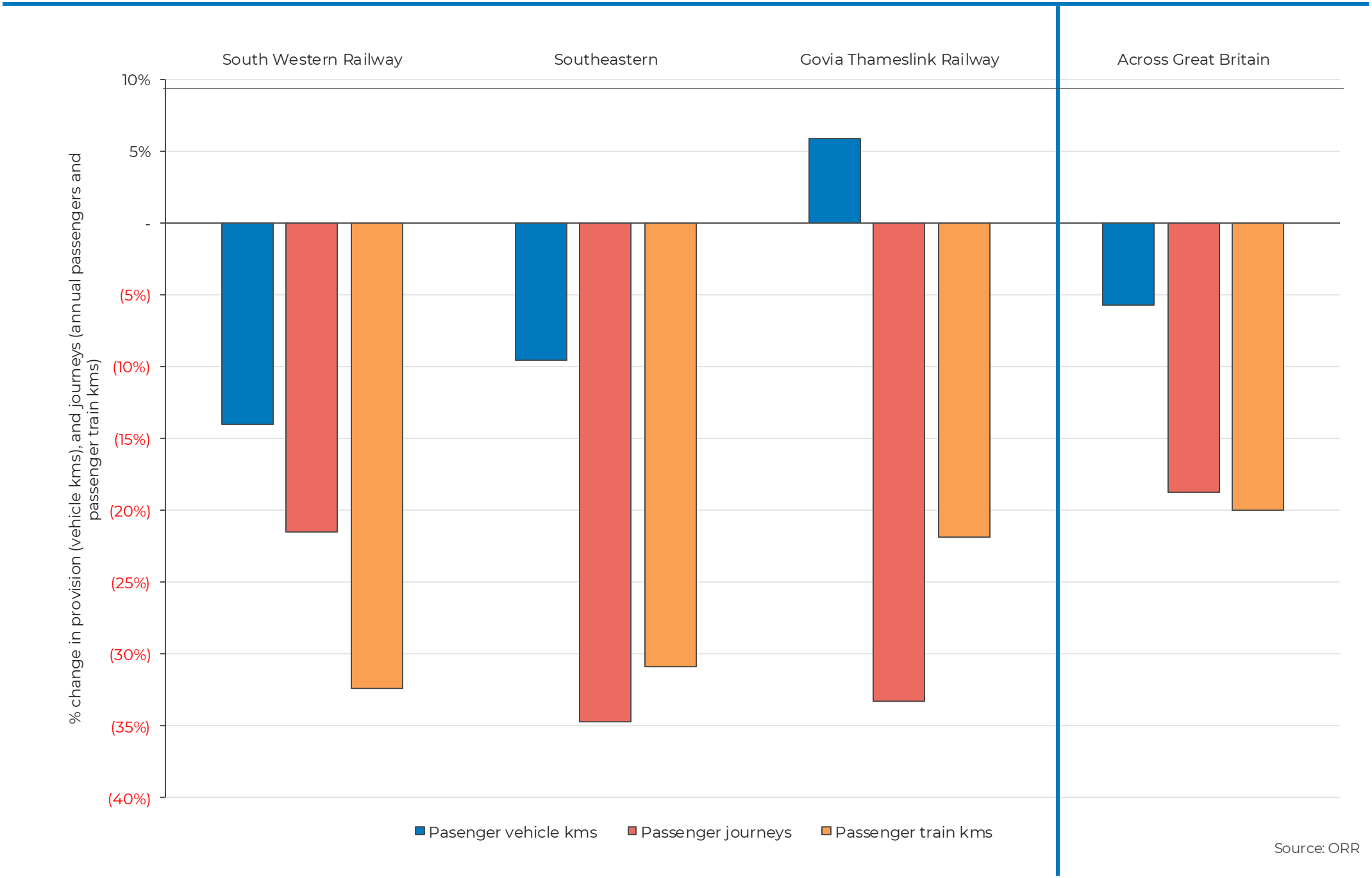
- 550 - 250,000
- 250,001 - 500,000
- 500,001 - 750,000
- 750,001 - 1,000,000
- 1,000,001 - 2,500,000
- 2,500,001 - 3,350,000
- > 3,350,000

Source: Steer analysis of ORR Station Origin-Destination Matrices (station entries and exits, 2022-23)

Figure 1.23: Railway connectivity in the TfSE area (average rail speeds on corridors between major centres)

Source: Steer Analysis of typical rail speeds between major centres in the South East, from reviewing timetabled distances and journey times between key station pairs

Figure 1.24: Railway service and patronage recovery post pandemic by Train Operator (2022/23 vs 2017/18)



Source: ORR

Bus and mass transit

Provision

Bus provision and patronage varies considerably across the TfSE area.

Figure 1.25 shows the change in the frequency of bus services accessible to residents in the TfSE area.

Bus provision has reduced in many parts of the TfSE area since 2018, particularly in rural areas, but has increased in some areas such as the fringes of London and outskirts of Southampton.

Between 2010 and 2019, there was a 38% reduction in local authorities' financial support for bus. In 2010-11 there was 243 million vehicle miles travelled on local authority supported service routes in England (outside of London) and this has dropped significantly to 112 million vehicle miles in 2018-19.

This has resulted in ridership across the TfSE area stagnating in the 2010s and reducing by 20% since the pandemic.

Figure 1.26 shows the trend in changing bus patronage by Local Transport authority in the TfSE area over the past 10 years.

More rural areas of Kent and East Sussex have seen a sustained reduction in patronage, whereas places like Reading experienced significant growth prior to the pandemic which has since been reversed. Despite a recent push in improving bus provision in places such as in the outskirts of Southampton, demand dropped significantly during the pandemic and recovery continues to be slow.

Response

The response to recent changes in bus provision also varies across the area.

Figure 1.27 shows the change in bus provision (vehicle kms) and patronage response (annual passengers) between 2017/18 and 2022/23.

Despite a 47% and 36% reduction in bus km provided in Slough and Brighton & Hove respectively, compared to a 4% increase in Portsmouth and West Berkshire, all four locations have experienced a similar reduction (between 17 and 23%) in passenger journeys by bus.

Figure 1.28 shows the number of bus trips per person per year, which makes the differences in bus usage across the TfSE more apparent. This indicates there are several factors at play which determine the effectiveness of mass transit provision.

Brighton & Hove has a scale and density of population and employment, demographic profile, and a coastal geography and topography that all support bus ridership. In addition, pro-bus council policies and an operator investing in services, fleet and customer experience have seen significant increases in patronage over the past ten years. Reading also benefits from a high level of stability, having had one, authority-owned, main bus operator in place for an extended period of time who have ran a comprehensive and well-priced bus service.

Opportunity for change

Many of TfSE's major conurbations have a sufficient population density to support higher-order mass transit systems.

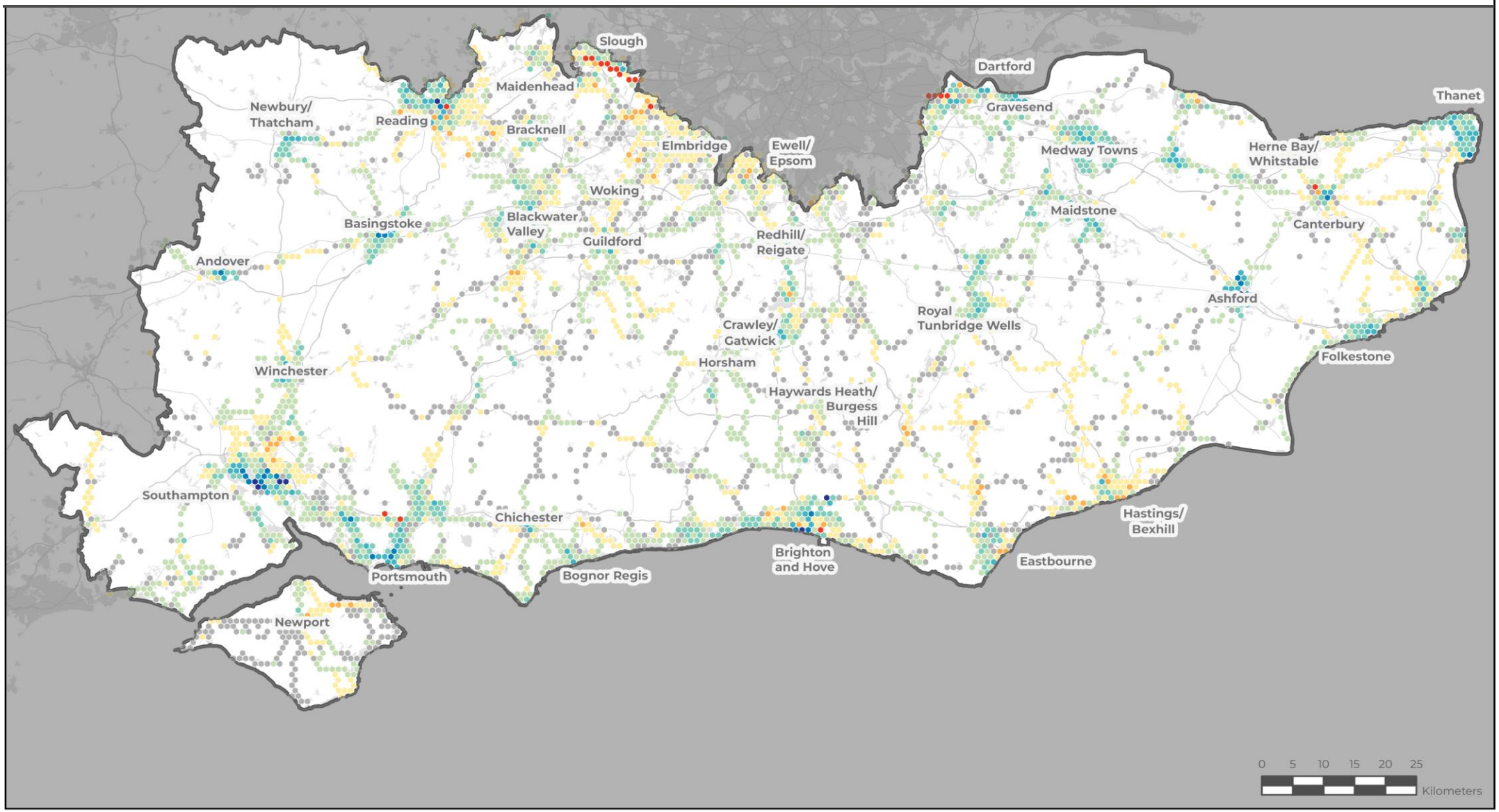
Figure 1.29 illustrates how the relative size and density conurbations in the South East compare with other places across the UK, and their transport provision.

From this, it is striking that many of our built-up areas only rely on conventional buses as the only form of public transport, which deliver slower journeys than alternative systems; and suburban rail services, which are relatively infrequent, are not available to all, and do not adequately serve commercial centres. This means residents in these conurbations do not benefit from the accessibility, connectivity, and quality of mobility that is available in other cities.

This evidence suggests there should be a strong business case for better mass transit in these areas. The South East's largest conurbations are large enough and with sufficient population density to support world class mass transit systems. There is also opportunity for adjacent BUAs which could form coherent transport geographies such as Reading/Wokingham/ Bracknell.

The success of Crawley's Fastway network demonstrates that frequent, segregated bus-based systems could also support mode shift in our medium-sized towns across the South East, alleviating congestion and supporting decarbonisation objectives.

Figure 1.25: Bus frequency change (the change in buses per hour serving a particular bus stop in 2024 vs 2018)



Regional Transport Strategy for the South East

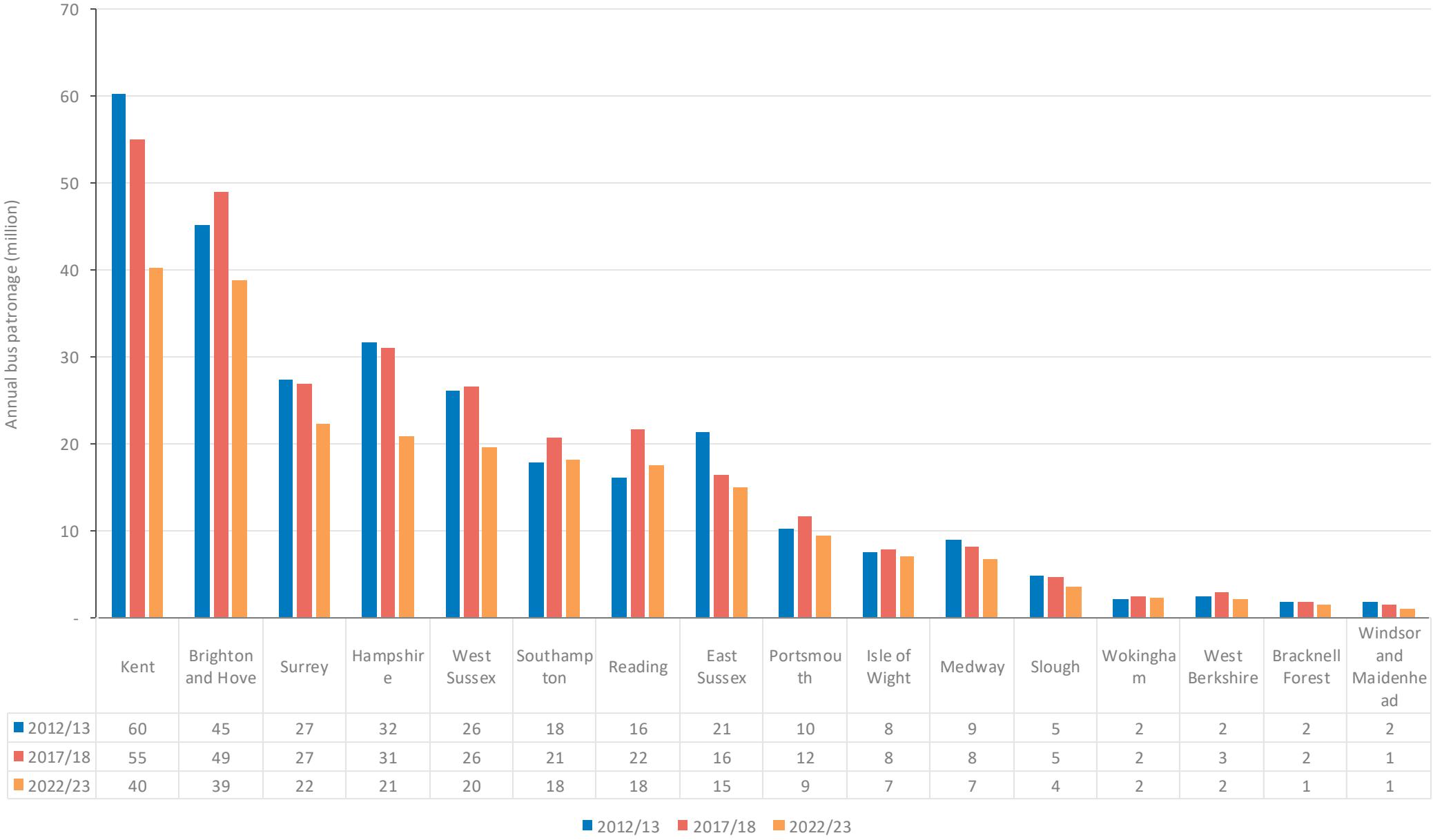
TfSE Study Area

2024 vs 2018 Bus Service Frequency Change

< -100 | -99 to -50 | -49 to -25 | -24 to -10 | -9 to -1 | 0 | 1 to 10 | 11 - 25 | > 25

Source: Steer analysis of data provided by TRACC (2024 vs 2018)

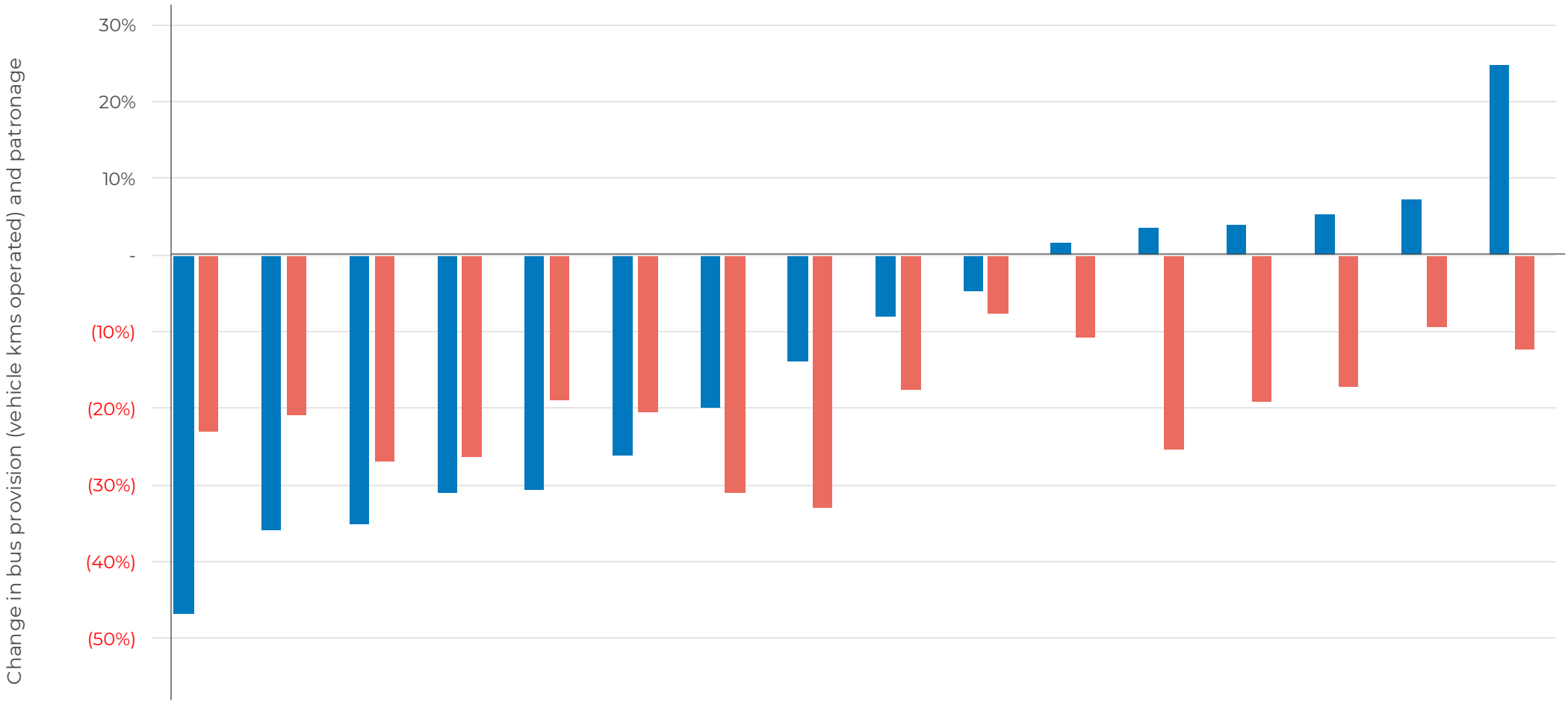
Figure 1.26: Change in bus patronage by Local Transport Authority in the TfSE area (2012/13 vs 2017/18 vs 2022/23)



	Kent	Brighton and Hove	Surrey	Hampshire	West Sussex	Southampton	Reading	East Sussex	Portsmouth	Isle of Wight	Medway	Slough	Wokingham	West Berkshire	Bracknell Forest	Windsor and Maidenhead
2012/13	60	45	27	32	26	18	16	21	10	8	9	5	2	2	2	2
2017/18	55	49	27	31	26	21	22	16	12	8	8	5	2	3	2	1
2022/23	40	39	22	21	20	18	18	15	9	7	7	4	2	2	1	1

Source: DfT Bus statistics
Table – rounded to nearest 1 million

Figure 1.27: Change in bus provision and patronage by LTA in the TfSE area (2022/23 vs 2017/18)

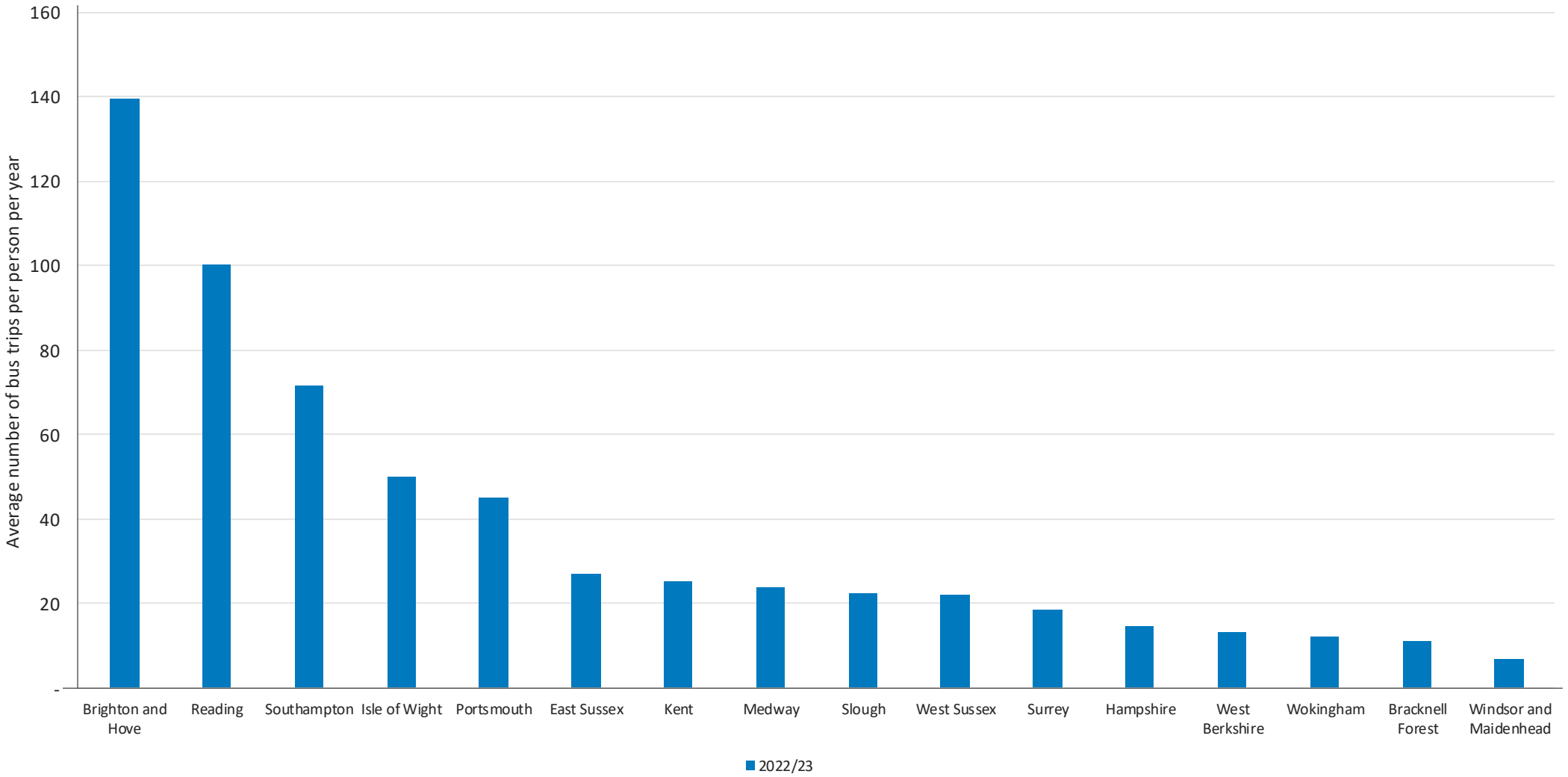


	Slough	Brighton and Hove	Kent	West Sussex	Reading	Bracknell Forest	Windsor and Maidenhead	Hampshire	Medway	Wokingham	Isle of Wight	West Berkshire	Portsmouth	Surrey	East Sussex	Southampton
Bus provision	(47%)	(36%)	(35%)	(31%)	(31%)	(26%)	(20%)	(14%)	(8%)	(5%)	2%	4%	4%	5%	7%	25%
Bus patronage	(23%)	(21%)	(27%)	(26%)	(19%)	(20%)	(31%)	(33%)	(18%)	(8%)	(11%)	(25%)	(19%)	(17%)	(9%)	(12%)

Bus provision Bus patronage

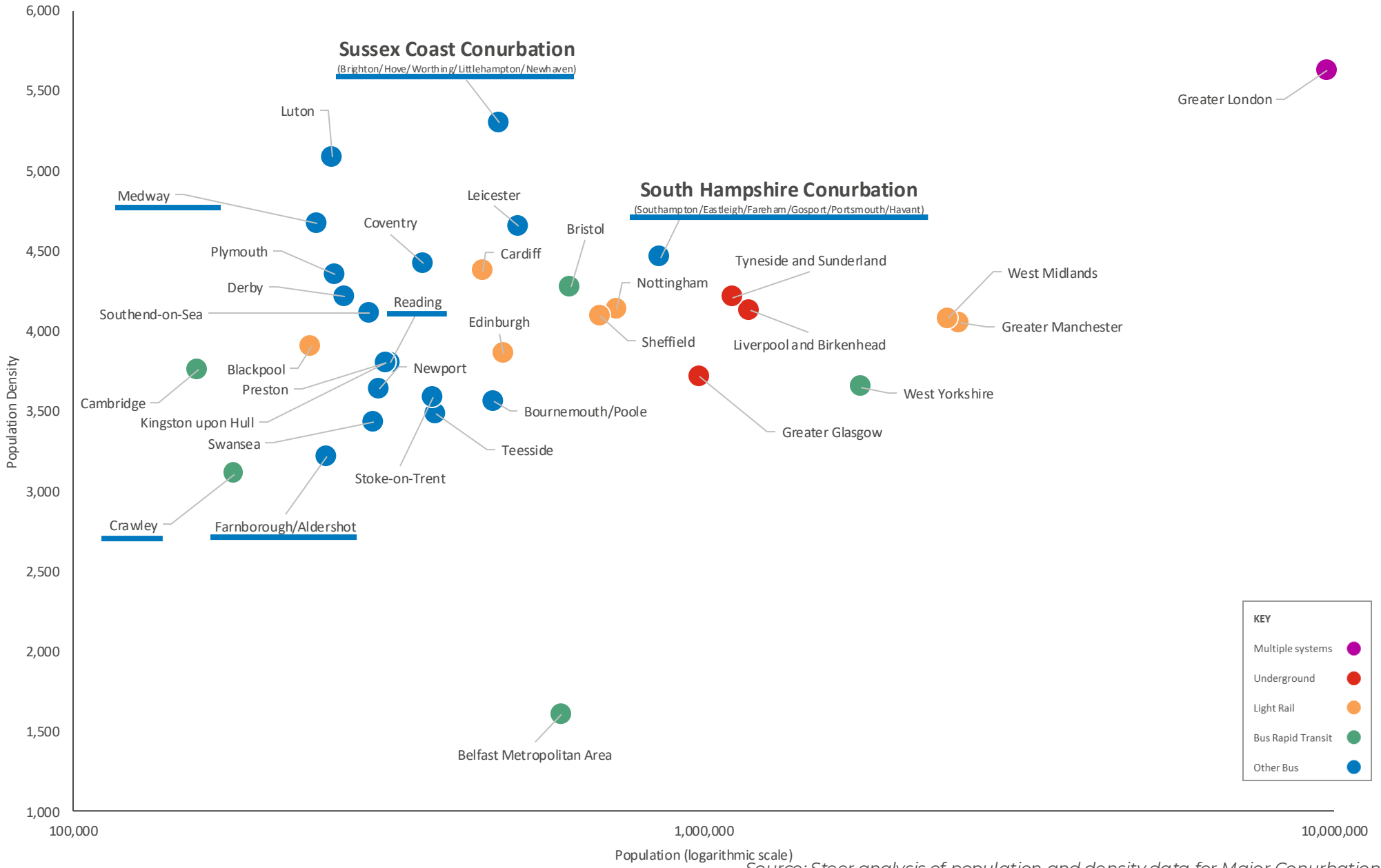
Source: DfT Bus statistics

Figure 1.28: Average number of bus trips per person per year (in 2022/23)



Source: DfT Bus statistics and ONS statistics
Number of bus trips per annum / Population

Figure 1.29: Level of mass transit provision in major conurbations across the UK



Source: Steer analysis of population and density data for Major Conurbations across the UK and qualitative assessment of level of transport provision

International Gateways

Ports

The TfSE area is home to the Port of Southampton and Port of Dover, which together account for 15% of all freight volumes to and from the UK.

Figure 1.31 shows the international gateways in the area, including passenger and freight ports, airports and the Channel Tunnel rail link.

In 2022, the busiest ports (by tonnage) were:

- Southampton – 31.3 million tonnes;
- Dover – 18.4 million tonnes;
- Portsmouth – 2.9 million tonnes; and
- Newhaven – 1.1 million tonnes.

The Port of Southampton is the second largest deep sea port in the UK; and processes a large share of global containerized freight coming to the UK. The port supports 45,600 jobs, and activity contributes around £2.5 billion to the UK economy.

The Port of Southampton is also the busiest cruise ship terminal in the UK, with 2.6 million passengers passing through in 2023.

The Port of Dover is the UK's busiest international ferry port, handling 30% of all roll-on roll-off HGV movements to the UK from the continent.

The Port also served 11.8 million passengers in 2018, but this has halved to just 6.6 million in 2022.

Airports

Gatwick airport is the largest airport in the area. It handled 47 million passengers in 2019. Whilst this reduced to 37 million passengers in 2022, passenger demand is expected to continue to grow, with plans to convert an existing taxiway into a second runway and double passenger growth to 75 million by 2035.

Southampton Airport handled more than 2 million passengers in 2017, but airlines have been slower at re-introducing services, only handling 630,000 passengers in 2022.

Heathrow airport is also on the doorstep of the area, with a high proportion of the workforce living within the TfSE area and commuting to the airport.

Channel Tunnel

In 2023, the Channel Tunnel served:

- Almost 11 million passengers via Eurostar services and a further 7m via Le Shuttle;
- 0.7 million tonnes of rail freight via freight operators such as DB Cargo UK; and
- 2.2 million cars and 1.2 million freight vehicles via Le Shuttle.

Passenger and freight traffic is recovering post-pandemic, with a transition to higher capacity rolling stock meaning that despite operating fewer services, Eurostar served almost as many passengers in 2023 as it did in 2019. However, these services no longer serve Ebbsfleet and Ashford, and are unlikely to return in the short term at least.

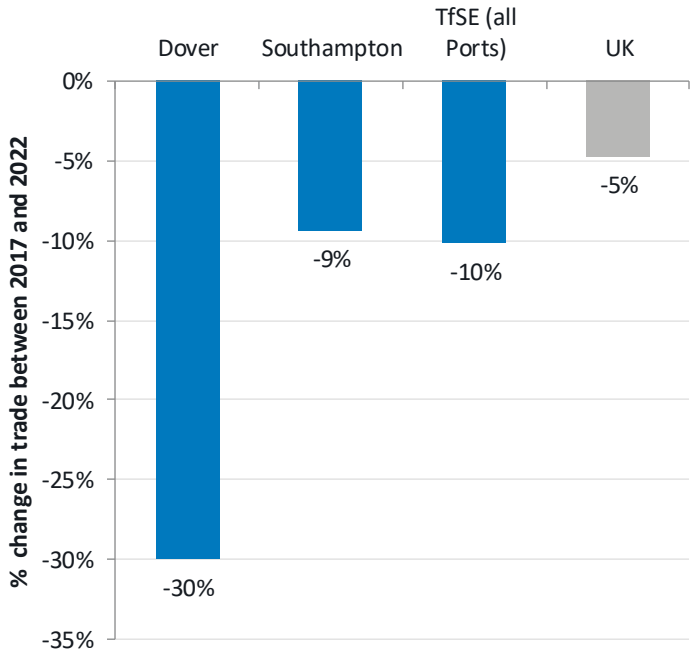
Recent trends

Figure 1.30 shows the implications of Brexit and the Pandemic are disproportionately impacting our international gateways.

Freight volumes (annual tonnage) have reduced by 9% and 30% at Southampton and Dover respectively, whilst volumes across the UK have only reduced by 5%. Road and rail freight via the Channel Tunnel is also down by over 30% and 40% respectively.

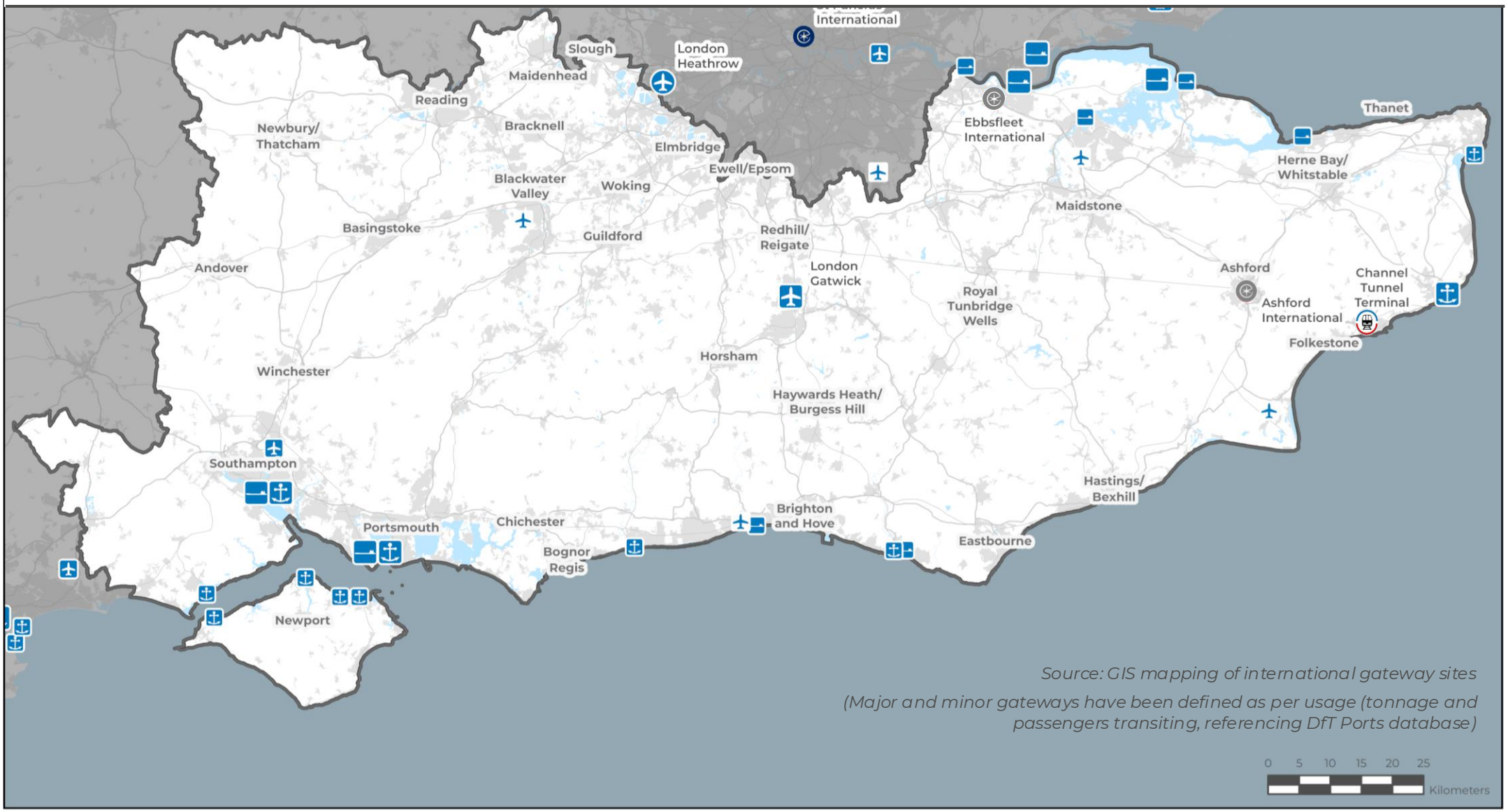
The reduced activity may have a long-lasting impact on industrial make up and economic activity of the TfSE area.

Figure 1.30: Change in port volumes



Source: DfT Ports data

Figure 1.31: International gateways



Source: GIS mapping of international gateway sites

(Major and minor gateways have been defined as per usage (tonnage and passengers transiting, referencing DfT Ports database)

Transport-related Social Exclusion

Social Exclusion

TfSE has commissioned more detailed work to understand the needs of Socially Excluded Groups across the South East. Part of this work included undertaking data analysis of transport-related social exclusion.

Figure 1.32 is a map of areas of the TfSE area where high percentages of the population are at risk of transport-related social exclusion. This is based on data from Transport for the North, which incorporates data from the Indices of Multiple Deprivation and Department for Transport Journey Time Statistics to key services.

Coastal Areas

The coastal areas of the TfSE area are generally at the highest level of risk of experiencing transport-related social exclusion. Notable areas at highest risk include:

- Hastings (83.9% of the population at risk of transport-related social exclusion)
- Thanet (75.8%)
- Swale (65.1%)
- Eastbourne (63.1%)
- Folkstone and Hythe (62.2%)

This is likely a factor of a high percentage of the population being especially vulnerable (for example a higher percentage of elderly population in these areas), socio-economic conditions, and poor transport accessibility.

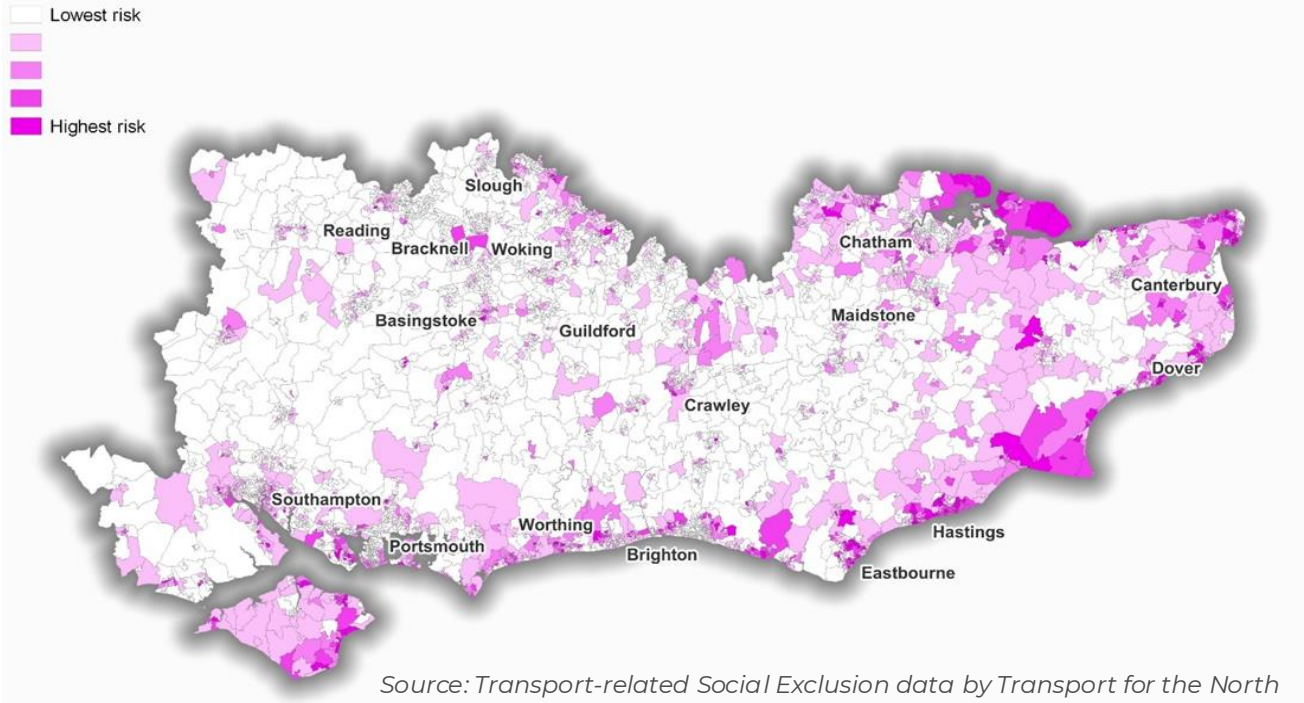
The Solent

An area of the South East where there is a particular concentration of 'pockets' of transport-related social exclusion is the Solent. The most notable concentration of these is on the Isle of Wight. There are also pockets of high levels of transport-related social exclusion in Portsmouth and across the Hampshire coast between Portsmouth and Southampton.

A well-connected region

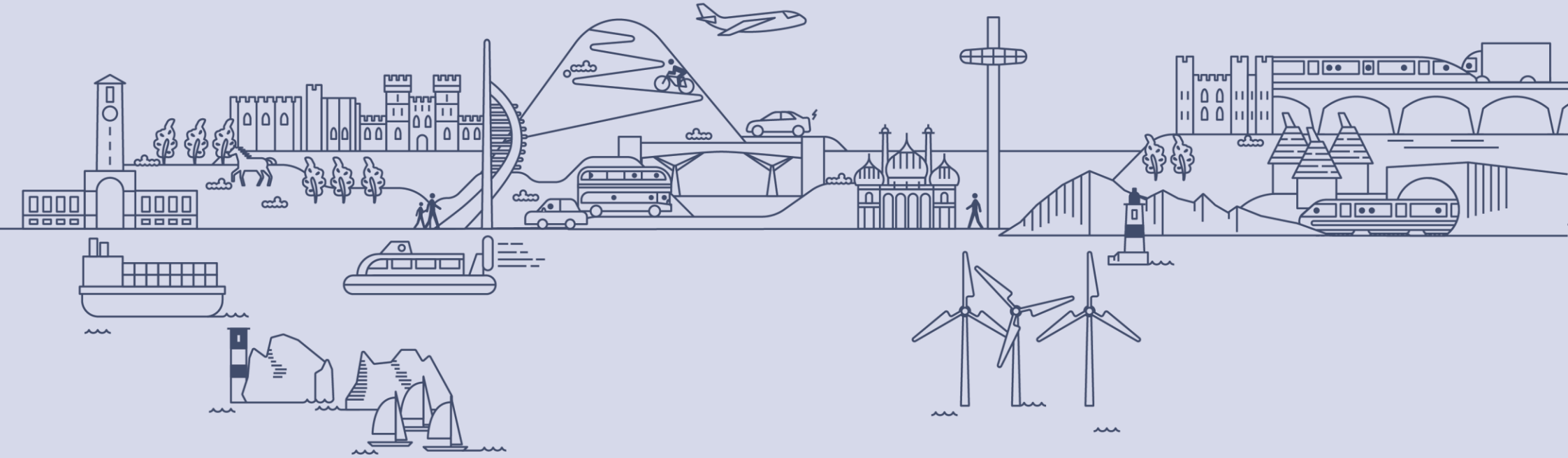
Whilst there are pockets of vulnerability, the region overall has comparatively good levels of accessibility. Across the South East, 16.4% of the population is at risk of transport-related social exclusion. The only region of England with a lower score is London, with 6.3% of the population being at risk. Areas in the UK where the population is at the highest risk of transport-related social exclusion include the North East (31.5%), East Midlands (22.8%) and Yorkshire and The Humber (21.8%).

Figure 1.32: Areas at highest risk of Transport-related Social Exclusion



Source: Transport-related Social Exclusion data by Transport for the North

TRANSPORT FOR THE South East



Part 1d

Strategic Investment Plan

Strategic Investment Plan

Overview

TfSE has worked with partners, stakeholders and technical advisors to develop packages of complementary, multi-modal interventions that aim to deliver on our vision and objectives for the South East.

The packages broadly split into two groups:

1. 24 place-based packages of interventions presented at a sub-regional level, with many being multimodal or mode-agnostic.
2. Global policy interventions consisting of national regulatory and policy activity and local action.

These packages were developed through workshops, discussions, and careful analysis of results of the assessment of the long list of interventions described earlier. In essence, these provide a 'golden thread' between top-down, vision-led goals and a bottom-up assessment of individual interventions.

This programme of strategic interventions will allow TfSE to achieve its objectives and, in doing so, support wider local, regional, and national policy and priorities.

The evidence base underpinning the development of the Strategic Investment Plan has been referenced and updated for this refresh.

Place-based interventions

Figure 1.33 shows the proposed place-based interventions in the Strategic Investment Plan.

The packages are multi-modal, presenting a transformational opportunity to enhance connectivity. Whilst most interventions focus on sustainable modes, targeted interventions to deliver a high-quality east – west connections and more resilient radial highways corridors have been identified.

Investing in these transport interventions in the South East will have a material and positive impact across the UK.

These packages are a step-change away from traditional "predict and provide" capacity enhancements of previous decades. They support the TfSE 2050 Vision and support not only strategic movement of vehicles but our places and communities. They have been refined to try and minimise increases in carbon emissions and the impact of these interventions on the wider environment, but all highway packages do result in limited increases in emissions.

Global policy interventions

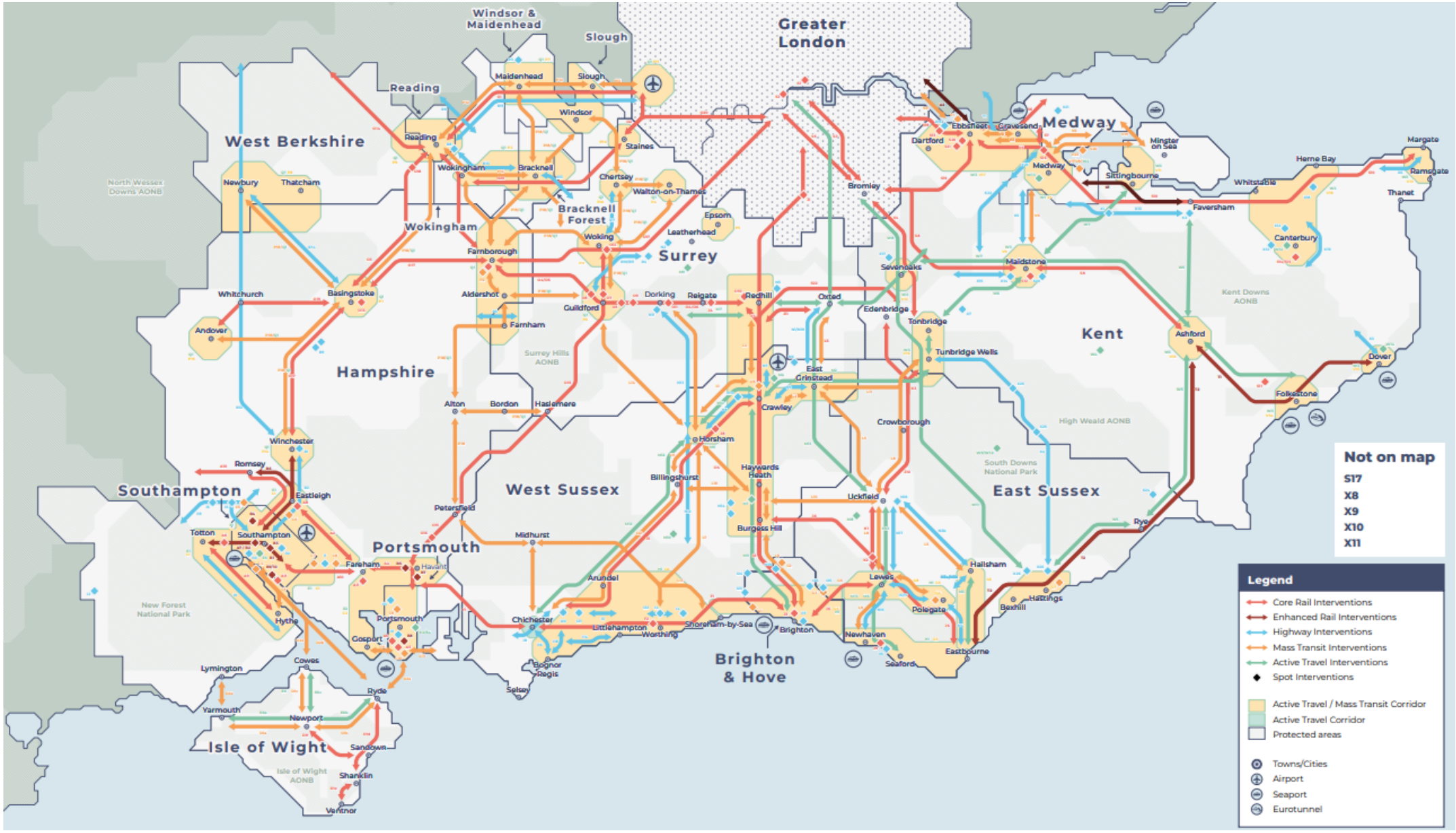
Figure 1.34 shows the six global policy interventions in the Strategic Investment Plan.

These are designed to address the challenges and opportunities that affect the whole of the South East and the wider UK.

These include existential challenges such as global warming and opportunities such as new mobility technologies.

These interventions deliver very significant reductions in carbon emissions. This is achieved through reducing overall demand (virtual working), managing demand (road pricing), and making lower-carbon transport options more attractive (new mobility and public transport fares).

Figure 1.33: Proposed place-based interventions in the Strategic Investment Plan

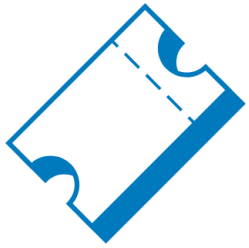


Source: TfSE Strategic Investment Plan

Figure 1.34: Proposed global interventions in the Strategic Investment Plan

1.1. Decarbonisation

We aspire to deliver a faster trajectory towards net-zero than current trends, including rapid adoption of zero emission technologies, to avoid the worst effects of human-induced climate change.

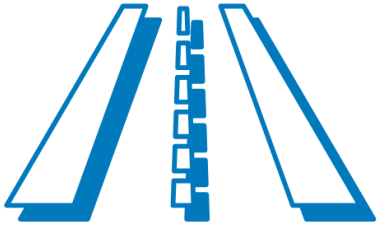


1.2. Public Transport Fares

We wish to reverse the real terms increase in the cost of public transport compared to motoring.

1.3. New Mobility

We see great potential for new mobility (e.g. electric bikes and scooters) to boost active travel in the South East.



1.4. Road User Charging

We encourage the UK government to develop a national road user charging system to provide an alternative source of funding to fuel duty and to help manage demand in parallel to integrated local measures.

1.5. Virtual Access

The past two decades, amplified by the global Covid pandemic have shown how virtual working can help reduce demand for transport services.

1.6. Integration

We wish to see improvements in integration across and between all modes of transport in terms of infrastructure, services, ticketing, and accessibility.

Source: TfSE Strategic Investment Plan

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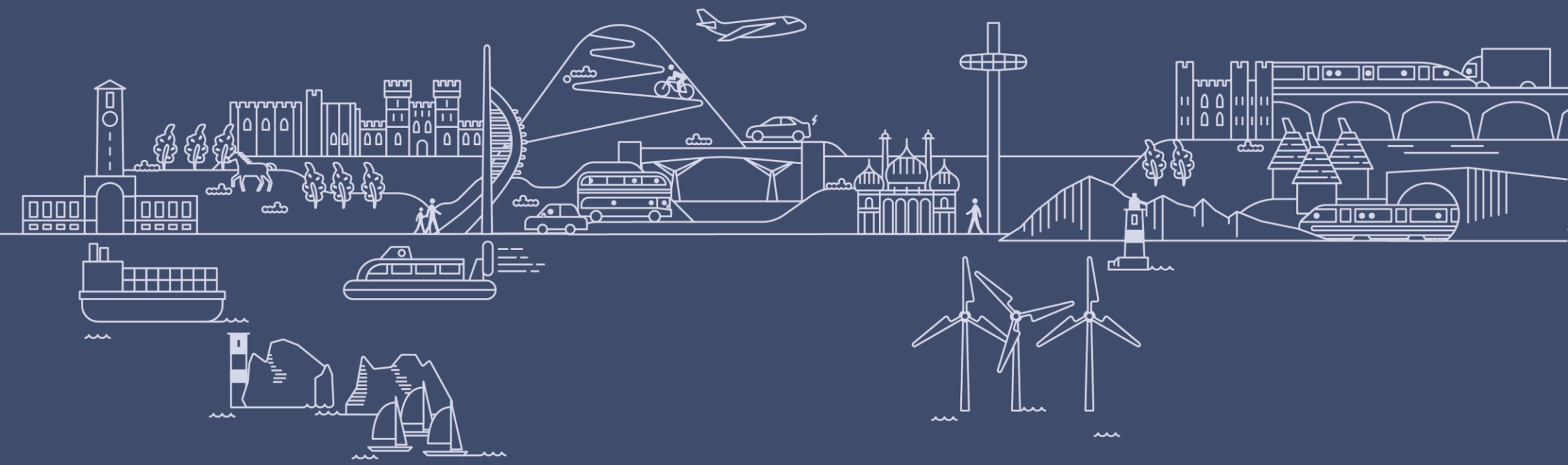

Part 2
Need for Intervention

Challenge statements

Challenge statements have been developed, drawing on the outputs of the evidence base to articulate the need for intervention. Challenge statements present an issue or opportunity which could be addressed by a number of different solutions. They are presented in four parts:

A Challenging Context

Transport sits within a politically and economically challenging context, with mounting environmental pressures.
The TfSE area in-particular faces challenges of affordability and the distribution of opportunities.

1. The impacts of climate change are already apparent
2. Our transport network must be more resilient to climate change
3. Decarbonising longer distance trips is particularly challenging
4. Brexit is disproportionately impacting the TfSE area
5. Economic growth and productivity has flatlined
6. We are not building new homes fast enough in the South East
7. Housing is unaffordable in too many parts of the TfSE area
8. Location of future growth could entrench unsustainable travel patterns
9. People are not incentivised to travel sustainably
10. The benefits of transport are not distributed equally

Constraints on Change

The ability to deliver significant transport change by National Government and Local Transport Authorities is hampered by economic and political uncertainty; changing strategic direction, and rising costs to fund and deliver change.

11. Political uncertainty is stifling transport investment
12. Local authorities are under severe financial pressure
13. The region is not benefitting from devolution of powers and funding
14. Railway industry finances are unsustainable
15. Rising costs are a barrier to delivering capital projects

Consequences of Inaction

Transport is not on track to decarbonise, sufficiently improve public health, or achieve equality aims. Residents continue to be subject to potentially avoidable negative impacts of transport while positive impacts could be better optimised.

16. Public transport is unaffordable for too many people
17. Public transport appears to be in a cycle of decline
18. Regional disparity in socio-economic outcomes persists
19. Many areas are at risk of transport related social exclusion
20. Road congestion is too high in our Major Economic hubs
21. Transport has an adverse impact on our health and our environment
22. Active travel participation is too low
23. The South East does not get the transport investment it deserves

A Challenging Future

Current trends point towards further exacerbation of transport issues with further pressure and costs mounting. Meanwhile, transport technology offers no credible silver bullet for resolving issues.

24. Poor digital connectivity risks leaving some communities behind
25. The benefits of future technology may not be equitably distributed
26. We don't have the luxury of time to rely on less mature technologies

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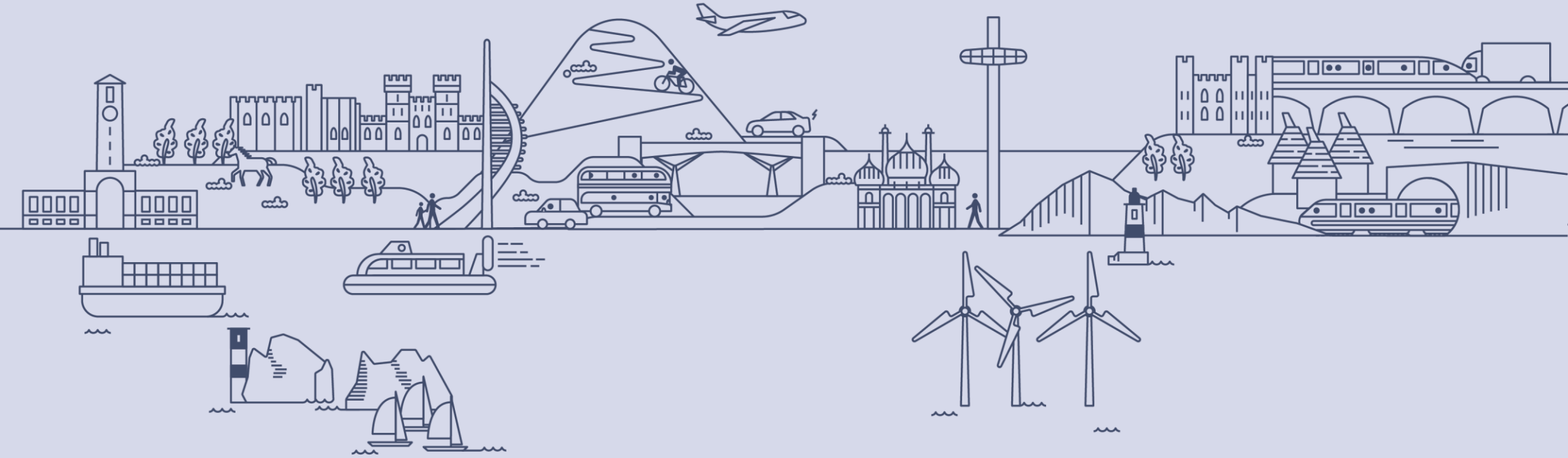


A challenging context

1 The impacts of climate change are already apparent

The climate change challenge has risen to the forefront of political and public concern.

Need for intervention:

The public are beginning to experience the impacts of a warming planet in their day-to-day lives. This means decision makers across national and local government are under increasing pressure to make progress on this issue as evidence for climate change has strengthened and the consequences of not intervening become more apparent.

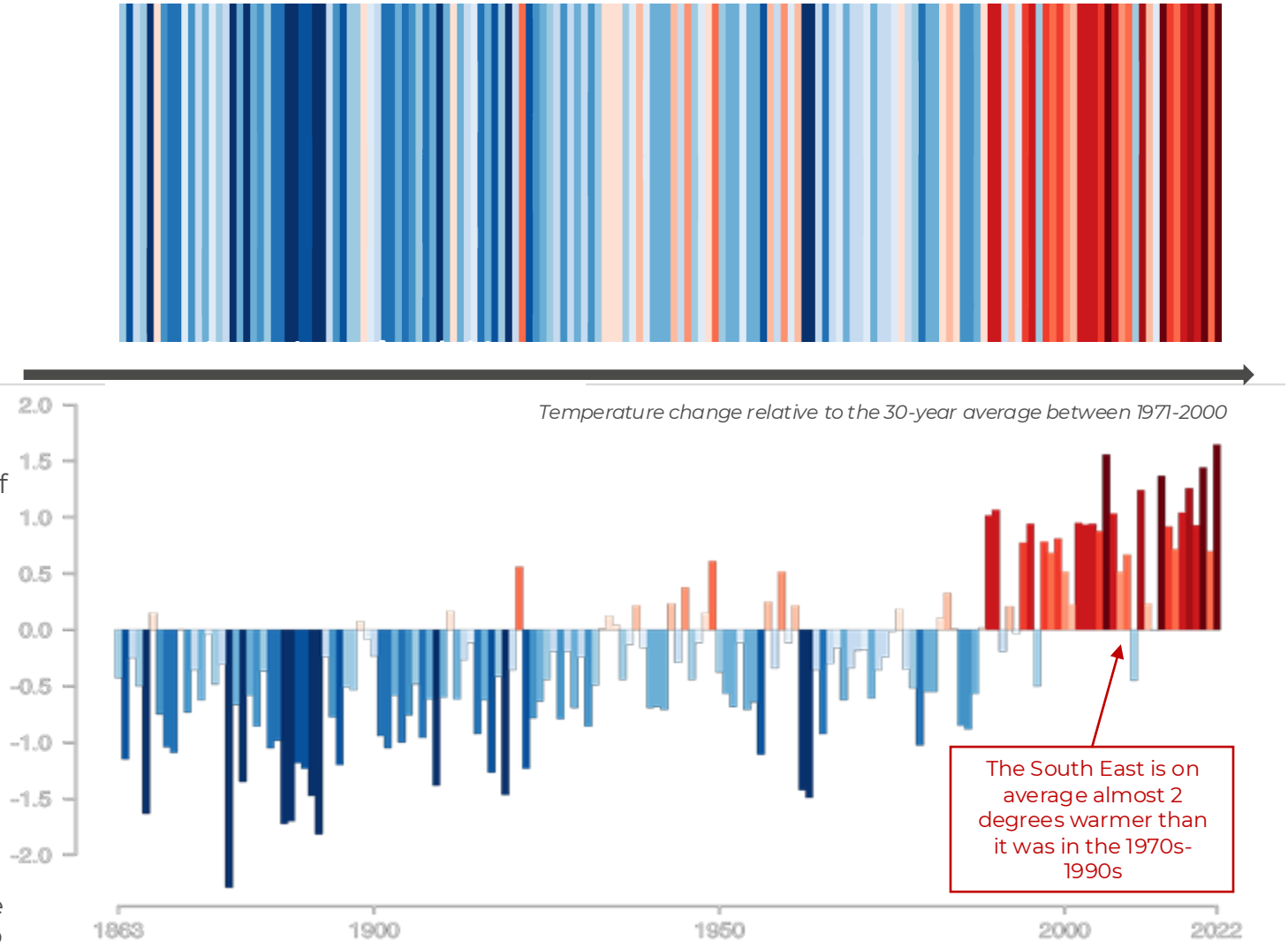
However, electric vehicle take-up is low and there are some areas with very poor access to charging points. A step change in electrification and encouraging modal shift away from fossil fuel transport, particularly for freight, is needed if the area is to reach its climate commitments.

Given transport accounts for a quarter of all carbon emissions, action is required to balance the priorities of decarbonisation against other objectives such as supporting growth.

Strategy implications:

- Reduce the need to travel and providing alternatives through a triple access planning approach
- Public transport and active travel options to support a mode-shift to sustainable modes
- An effective roll-out of charging infrastructure to support the transition of the vehicle fleet to zero emission fuels. This needs to be done quickly and equitably, so that no one is left behind

Warming Stripes demonstrating a heating planet overtime



Source: Ed Hawkins, University of Reading
Accessed through showyourstripes.info

2 Our transport network must be more resilient to climate change

Our transport network is prone to major disruption due to the impacts of climate change.

Need for intervention:

Transport operators, businesses and users are recognising the impact of climate change related extreme weather events on travel. The figure aside show how the rail network has experienced growing disruption due to weather.

Some areas are particularly vulnerable to flooding. It is likely that preventative measures will be required to ensure the rate and consequences of disruption do not spiral out of control.

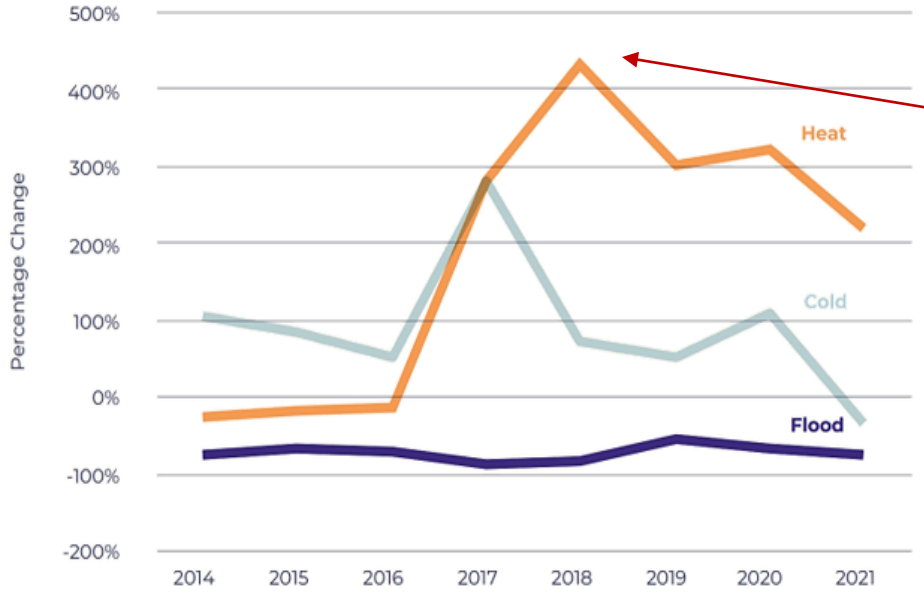
The road and rail networks requires huge investment to boost resilience to flooding, cold, and extreme heat. Network Rail have announced on 3rd April 2024 a five-year £45bn rail improvement plan with resilience to the extremes of climate change being a key investment issue.

The costs of running a resilient transport network will also grow with knock on impacts for users. Recurring significant disruption has a significant impact on the economy.

Strategy implications:

- Focus investment to ensure a resilient transport network, with focus on resiliency funding for sustainable modes
- Reduce the need to travel, and provide alternatives through a triple access planning approach - by addressing accessibility issues and opportunities through 1) bringing people closer to the goods and services they need; 2) increasing transport connectivity; and 3) enhancing digital connectivity

Percentage change in number of delays on Southern rail network due to weather events



There were more than 4 times as many delays delays due to extreme heat in 2018 than in the 2000s.

Source: Network Rail

Landslip at Edenbridge (2020)
Source: Network Rail

Flooding on A21 near Sedlescombe (2023)
Source: BBC

3 Decarbonising longer distance trips is particularly challenging

Almost half of our transport emissions come from trips that are greater than 50 miles.

Need for intervention:

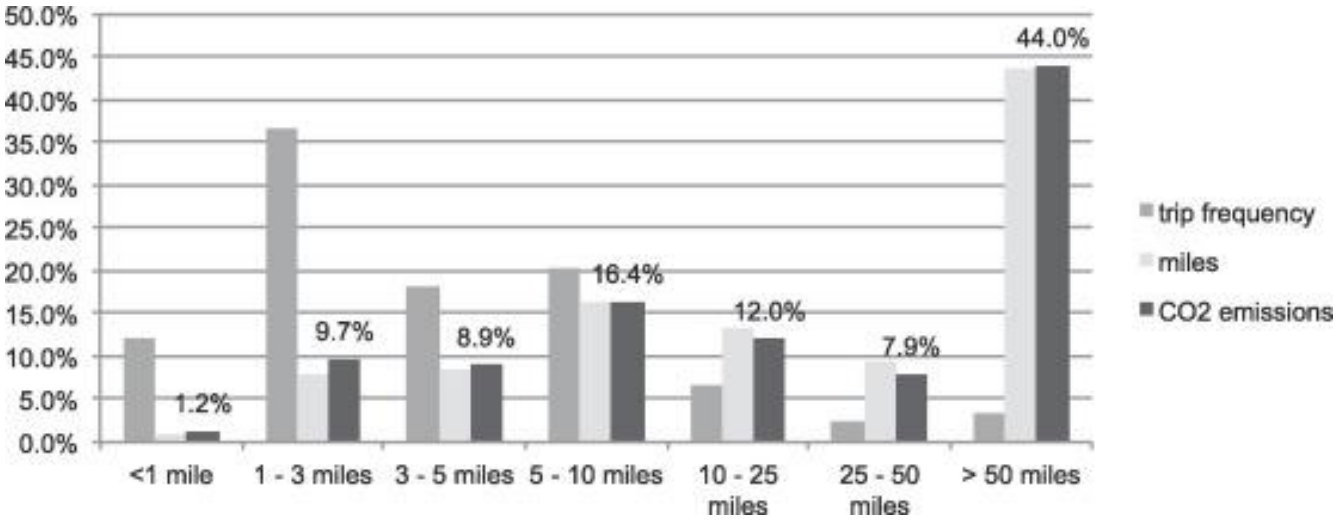
Whilst EV charging range is improving significantly, and EV charging infrastructure is being rolled out quickly across the strategic highway network, research still shows that a key reason preventing users from shifting to EVs is range anxiety, and that over 60% of existing EV users are not satisfied with charging infrastructure at motorway service areas.

Additionally, longer-distance freight trips taken by HGV are the hardest to decarbonise given the weight, and push for alternative fuels such as hydrogen are waning.

Strategy implications:

- Reduce the need to travel and providing alternatives through a triple access planning approach
- Effectively roll-out zero-emission vehicles and supporting infrastructure such as EV charging
- Pursue rail as the greenest option for longer-distance journeys through a focus on supporting a mode-shift to rail - such as through ensuring effective first- and last-mile connectivity enables rail to be an attractive option, and focusing on shifting freight to rail

Transport carbon emissions by distance band



Assessing the potential for carbon emissions savings from replacing short car trips research paper (Brand, 2018)

Paths towards decarbonising carbon emissions by distance band

Distance band	% Trips	% Carbon	Viable modes	Decarb. strategy
<1 mile	12	1		
1 – 3 miles	36	10		Shift to active travel and public transport, decarbonise public transport, electrify cars
3 – 5 miles	18	9		
5 – 10 miles	20	16		
10 – 25 miles	7	12		Shift to public transport, decarbonise public transport, electrify cars
25 – 50 miles	3	8		
> 50 miles	4	44		Shift to and decarbonise public transport (esp. rail)

EV charging research survey (DfT, 2023)

4 Brexit is disproportionately impacting the TfSE area

The implications of Brexit on the UK economy are becoming more apparent; and disproportionately impacting the TfSE area.

Need for intervention:

Border and customs changes, amongst other drivers, have led to a significant decline in goods exported through TfSE's ports, with a 30% reduction at Dover compared to a 5% national average.

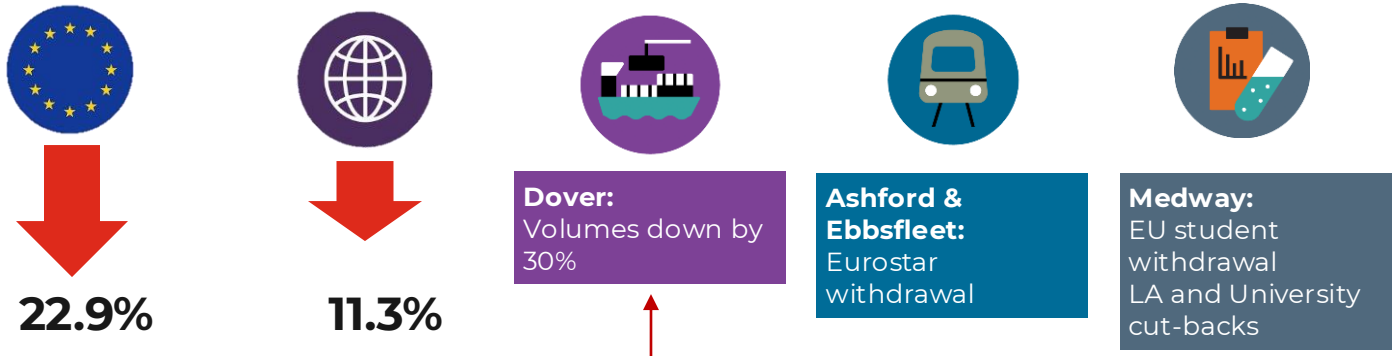
Despite a sharp drop in the number of vehicles, making trade more complicated at the border has led to several transport challenges for the area, as the queue of HGVs parked along the M2 and M20, particularly during disruption, has got worse, taking weeks to clear the backlog.

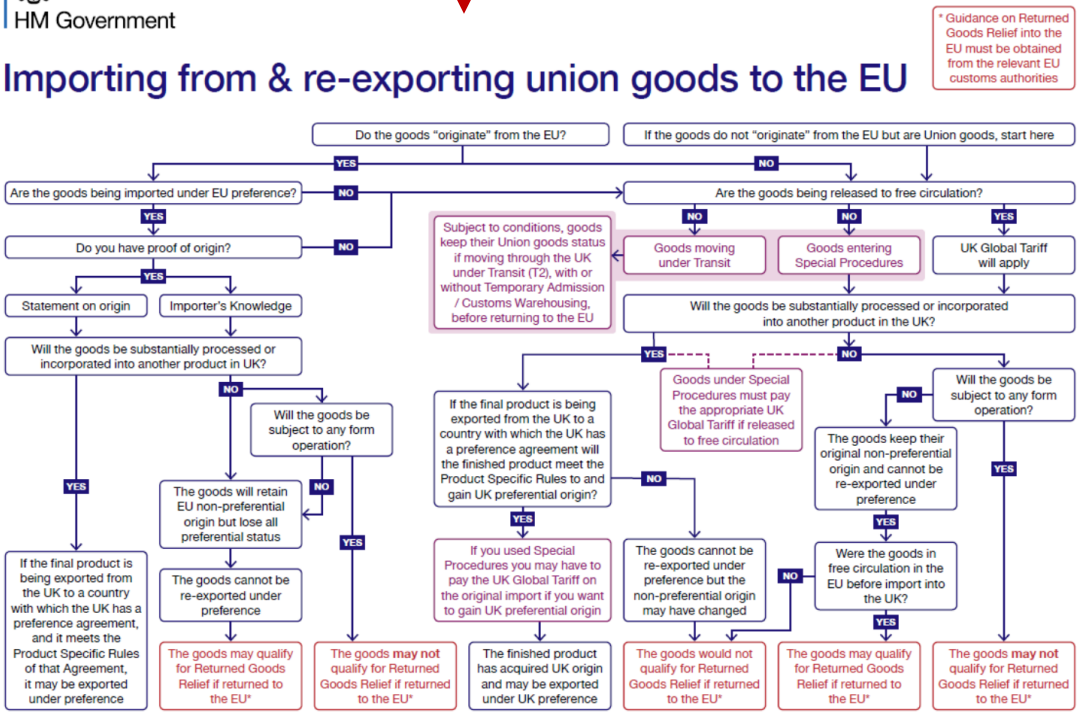
During the pandemic, Eurostar services were withdrawn from Ashford and Ebbsfleet, and see no sign of being reinstated, leaving those travelling to the continent no option other than to drive.

Strategy implications:

- Develop a resilient plan in light of the uncertainty of future trade, such that the region can effectively processing HGV volumes, and support the sustainable growth of transport and logistics activity in Kent and wider South East
- Advocate for reinstating a direct rail service between the TfSE area and continental Europe as soon as possible

Change in UK exports to EU and rest of world since 2021





Source 1 – ONS trade statistics (2023)
Source 2 - DfT ports data (2022)

5 Economic growth and productivity has flatlined

The UK economy has flatlined in recent years, recovering from the pandemic much slower than its peers. Productivity has been a longer-term challenge.

Need for intervention:

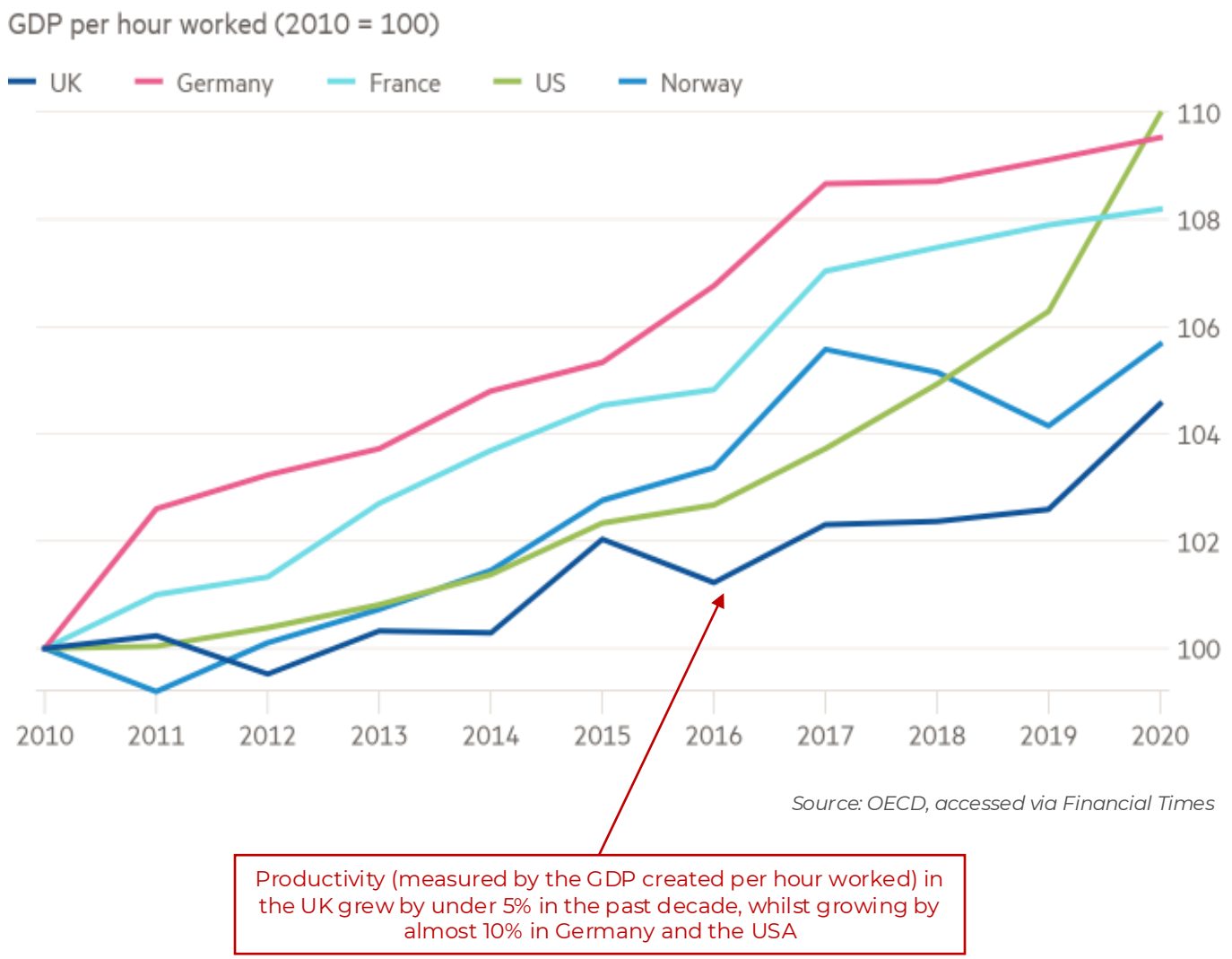
UK residents are experiencing the stagnation of the economy in their day-to-day lives, as they experience rising transport and living costs and wages remain stagnant.

There is a need to work across sectors to reinvigorate the economy by focusing on removing barriers to productivity, and having a clear coordinated plan for delivering sustainable, inclusive economic growth.

Strategy implications:

- Deliver a transport network that effectively connecting people with jobs and key services
- Facilitate economic growth and realise the benefits of agglomeration through bringing our centres closer together by providing better strategic inter-urban transport links
- Reduce economic productivity losses by reducing journey times and minimizing congestion and disruption
- Provide accessible and affordable transport so people can access the network and realise benefits

Growth in productivity in the UK vs other nations between 2010 and 2020



Source: OECD, accessed via Financial Times

Productivity (measured by the GDP created per hour worked) in the UK grew by under 5% in the past decade, whilst growing by almost 10% in Germany and the USA

6 We are not building fast enough in the South East

Fewer new homes are being delivered in London and the South East than demand requires, exacerbating already inflated house prices.

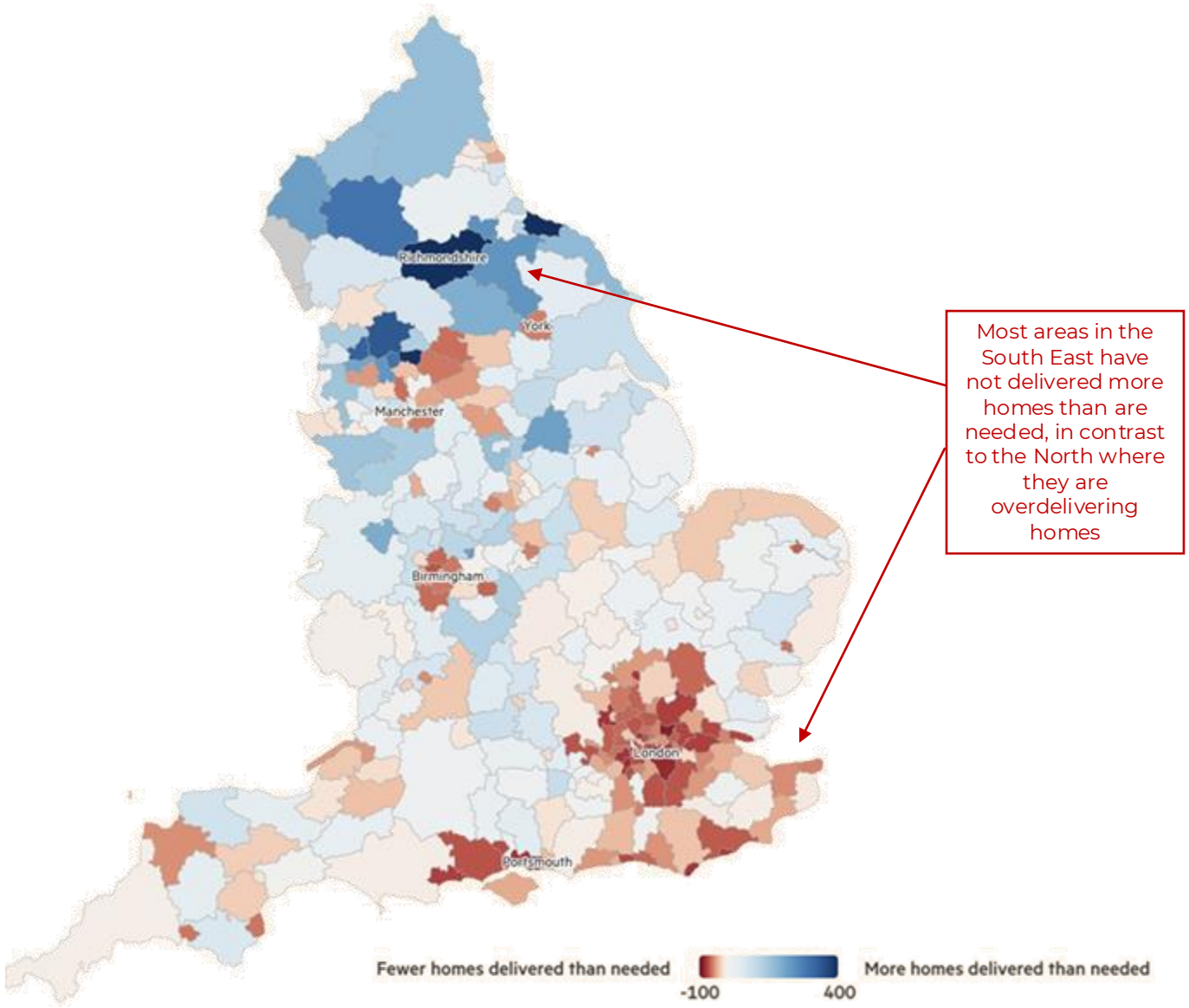
Need for intervention:

There are acute problems especially where connections to London intersect with limitations on house-building due areas of protected status. A slow rate of densification of existing urban areas is also a contributor. Local road congestion could be a barrier preventing housing growth in urban centres.

Strategy implications:

- Promote more integrated transport, land-use and planning to deliver sustainable transit-oriented development along existing transport corridors, and restrict car-dependent developments in peri-urban areas

Rate of delivery of new homes across England



Source: Financial Times - Lichfields analysis of MHCLG and NS data

7 Housing is unaffordable in too many parts of the TfSE area

Houses are getting more unaffordable across the South East. Places such as Medway which were once seen as an affordable location for those getting priced out of London have seen prices continue to rise.

Need for intervention:

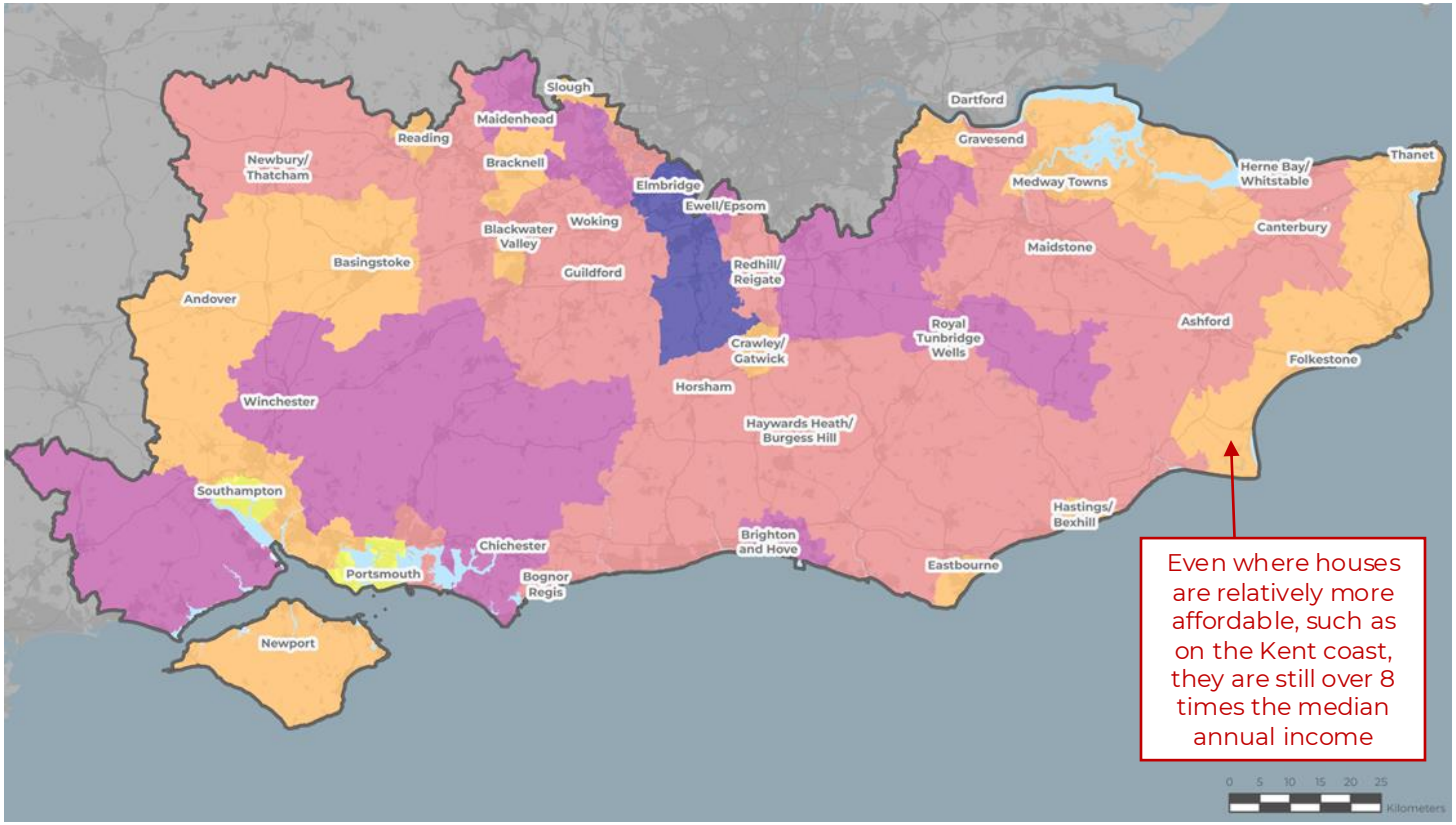
Housing affordability will shape travel demand in significant ways, forcing longer distance journeys as affordable housing is not delivered where there are job opportunities.

Housing unaffordability in London will continue to place pressure on radial corridors in the South East as people move out of the capital. Urgency to deliver housing could create additional challenges where car-dependency is locked into new developments.

Strategy implications:

- Promote more integrated transport, land-use and planning to deliver sustainable transit-oriented development along existing transport corridors, and reduce car-dependent developments in peri-urban areas
- Promote sustainable urban transport modes which facilitate the densification of urban areas and makes these places nicer places to live and work

Housing affordability ratio (median house price vs median earnings)



Housing Affordability
Ratio of Median House Price to Median Gross Annual Residence Based Earnings

- < 8
- 9 - 10
- 11 - 12
- 13 - 14
- < 16

Source: Steer analysis of ONS data

8 Location of future growth could entrench unsustainable travel patterns

There is a significant mismatch between where future housing and employment is likely to be delivered in the TfSE area, which may lead to more unsustainable, longer-distance travel patterns.

Need for intervention:

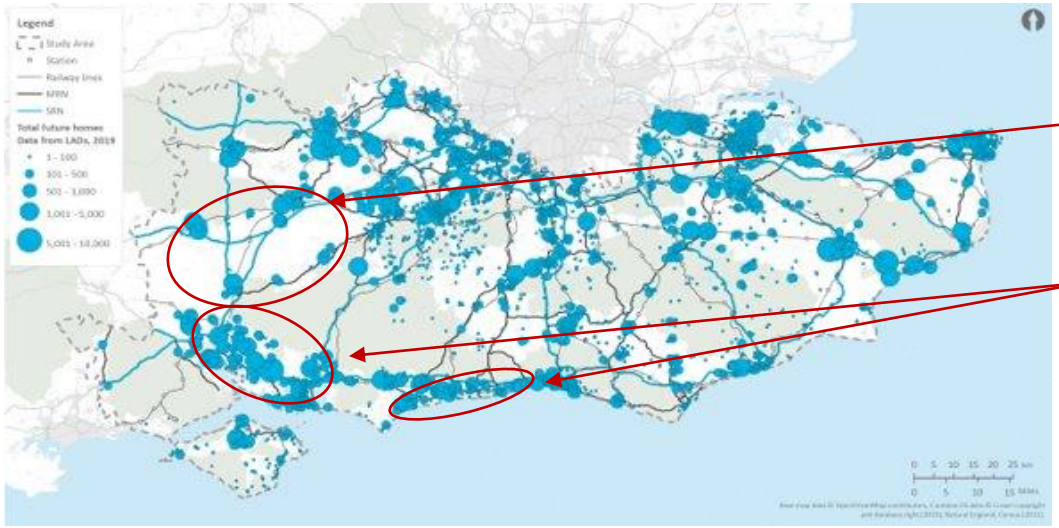
In South-Hampshire, new housing is dispersed over a wide area, whilst new jobs are concentrated in established urban areas such as Southampton and Portsmouth, possibly leading to peak-time congestion problems worsening on the A27 and the East Coastway railway line.

The growth of housing in peri-urban developments around centres such as Basingstoke, Winchester and the Blackwater Valley, without accompanying job growth, suggests they will continue to rely on commuting to London, Thames Valley or the South Coast, but not have access to the rail network to enable direct, sustainable travel options.

Strategy implications:

- Advocate for better coordinated transport and land-use planning to stop unsustainable travel patterns.
- Make the case for bus and active travel initiatives to be delivered in conjunction with new peri-urban housing developments to instill sustainable travel behaviours.

Future housing growth and where it is most concentrated

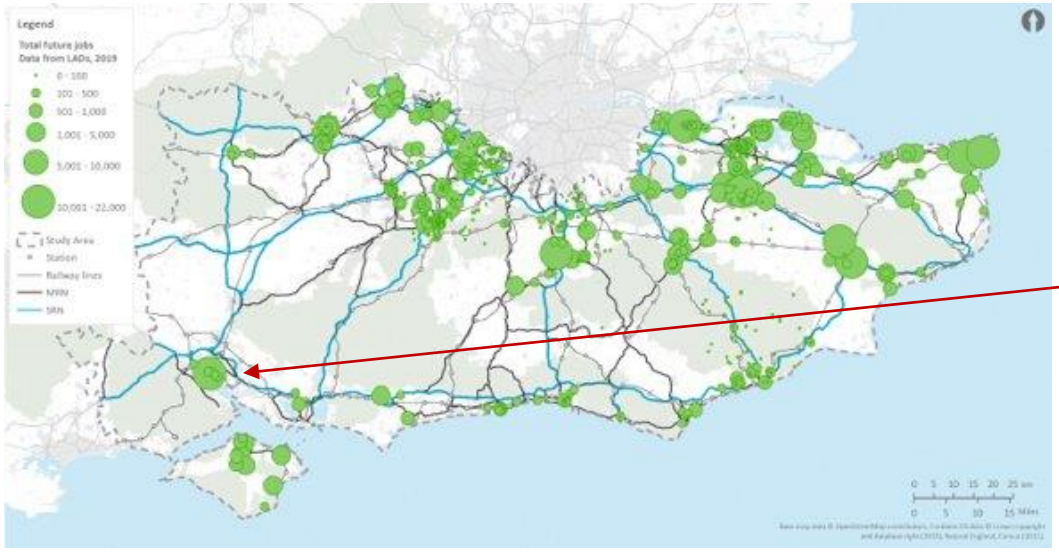


There is high housing growth located around Basingstoke, Andover and Winchester

Planned housing growth is spread across the South Hampshire conurbation and along the Sussex Coast

Source: Steer analysis of local plan data (2020)

Forecast jobs growth and where it is most concentrated



However, jobs growth is forecast to be concentrated in already established hubs such as Southampton – the existing railway network cannot accommodate the potential increased demand into Southampton, particularly from the South Coast

Source: Steer analysis of local plan data (2020)

9 People are not incentivised to travel sustainably

The COVID-19 pandemic and shift to more remote working has changed if and how we travel.

Need for intervention:

While public transport has not made a full recovery to pre-pandemic levels, driving nearly has, and cycling has grown throughout this period.

As well as mode share changing, the nature of how we travel is altered with remote working continuing, and commuting patterns have changed.

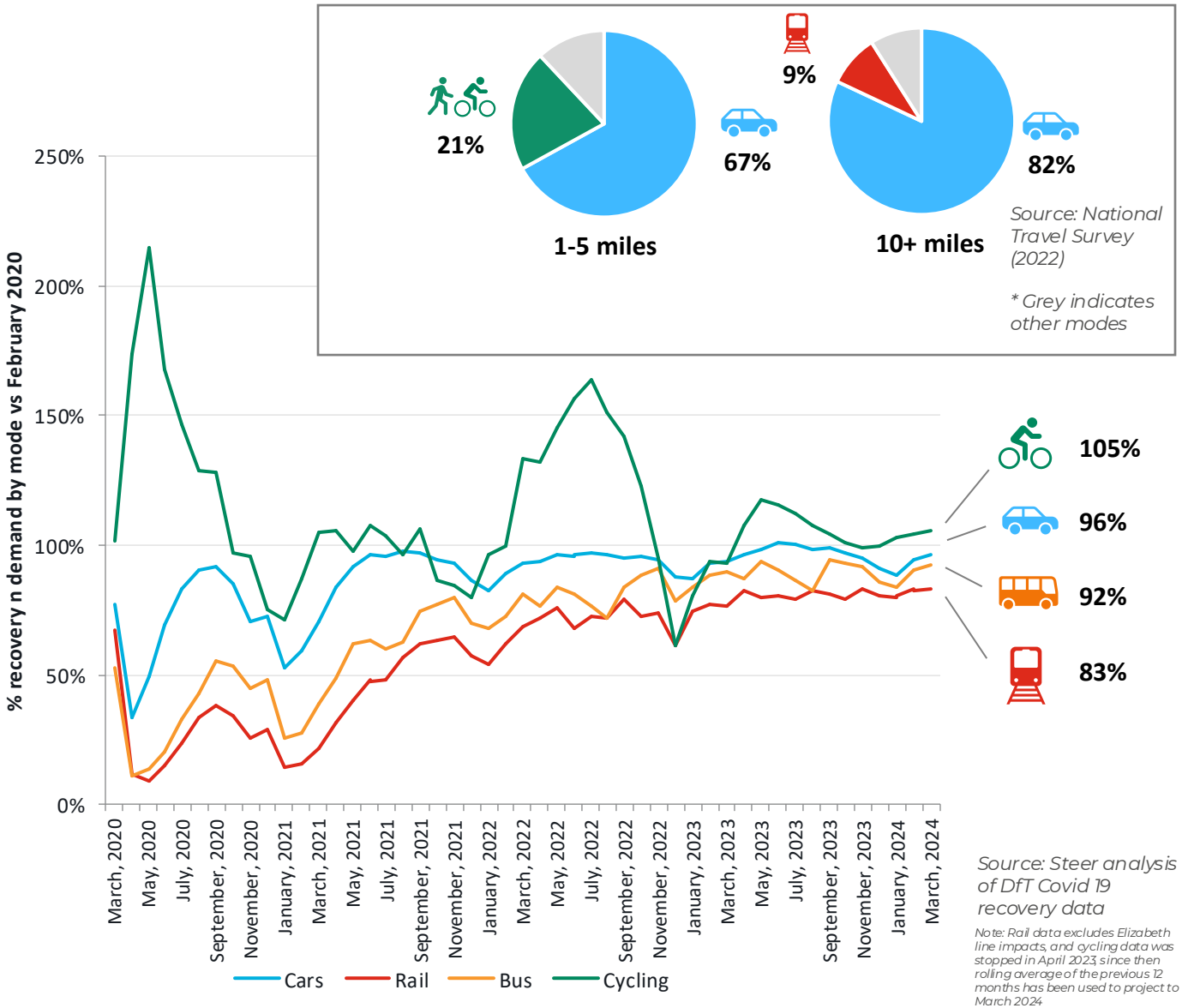
We are taking fewer longer-distance trips, particularly commuting trips between the TfSE area and London not recovering at all.

By not being able to rely on commuters buying season tickets, the rail industry has a gaping hole in its finances which limits their opportunity to fund capital and service enhancements.

Strategy implications:

- Shift away from planning for commuters and towards planning for people and places, and leisure and social activity
- Capitalise on the recent evidence that people will opt to cycle more when roads are quieter; and focus on delivering active travel infrastructure to facilitate more sustainable local movements, with focus on first-and last-mile initiatives
- Identify innovative options for providing transport where demand is variable and less certain, and traditional funding and financing is no longer sustainable

Pandemic recovery by mode (2020-24) and mode share of shorter- and longer- trips (2022)



Source: Steer analysis of DfT Covid 19 recovery data

Note: Rail data excludes Elizabeth line impacts, and cycling data was stopped in April 2023 since then rolling average of the previous 12 months has been used to project to March 2024

10 The benefits of transport are not distributed equally

The benefits of transport services and infrastructure investment are not based on achieving equitable outcomes.

Need for intervention:

For transport investment, there are winners and losers. To date, the focus of the benefits of investment have been on where the maximum return on investment, maximum commercial benefit, or the lowest levels of subsidy is provided.

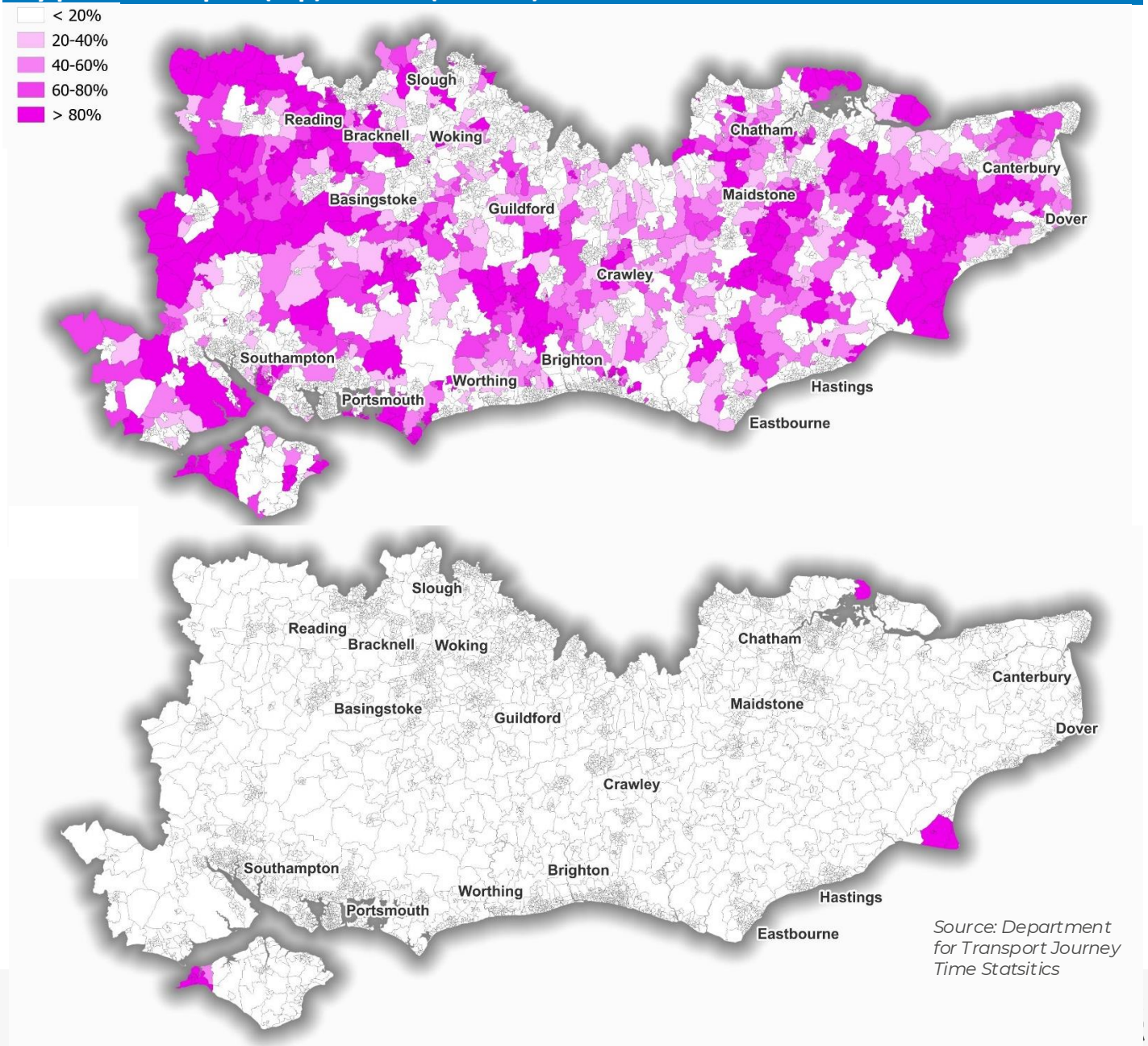
This has left many communities poorly connected to necessary services and the economy. They face greater risk of isolation, exclusion, and poverty, leading to social and economic challenges.

The increasing disparity also makes it more challenging to overcome these issues later, as social and economic issues become more entrenched.

Strategy implications:

- Shift focus of investment towards areas with a high risk of Transport-Related Social Exclusion, to assist them in levelling up.
- Ensuring that transport investment is delivered as part of a wider package of social and economic investment and policy to improve the social and economic conditions of at-risk areas
- More closely considering matters of equity and inclusion as part of the business case for delivering transport interventions.

Percentage of population unable to access a town centre within 30 minutes journey time by public transport (top) and car (bottom)



Source: Department for Transport Journey Time Statsitics

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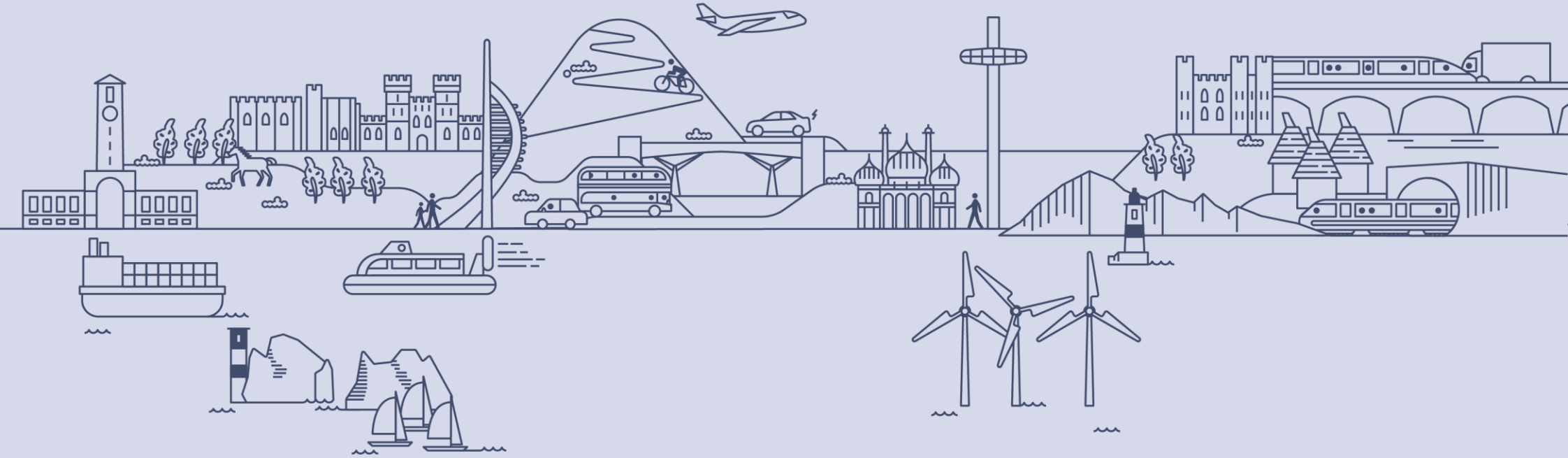


Constraints on change

11 Political uncertainty is stifling transport investment

The uncertainty around the national priorities for transport, and how change will be delivered have consistently been disrupted by frequent changes to government.

Need for intervention:

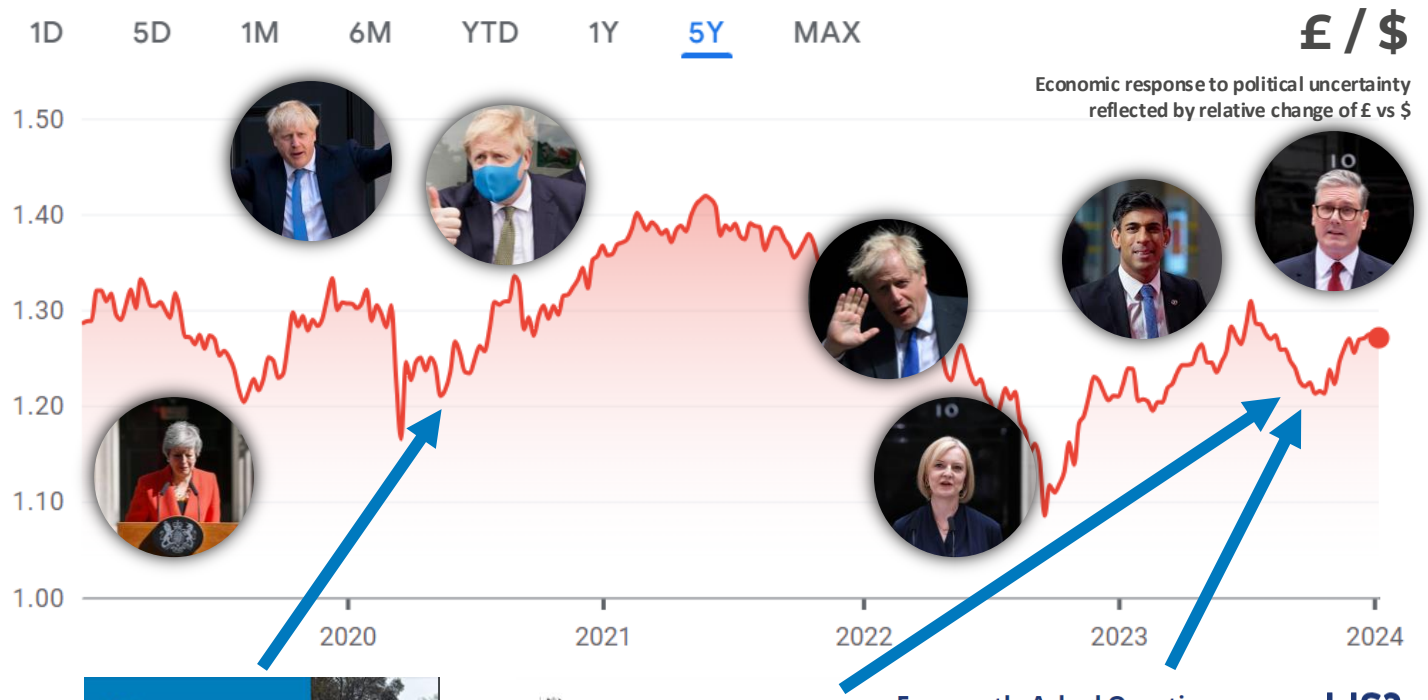
There have been five changes of prime minister since 2016, with varied emphasis on transport. This has swung from the pro-cycling Gear Change in 2020, and COVID emergency measures, to The Plan for Drivers in 2023.

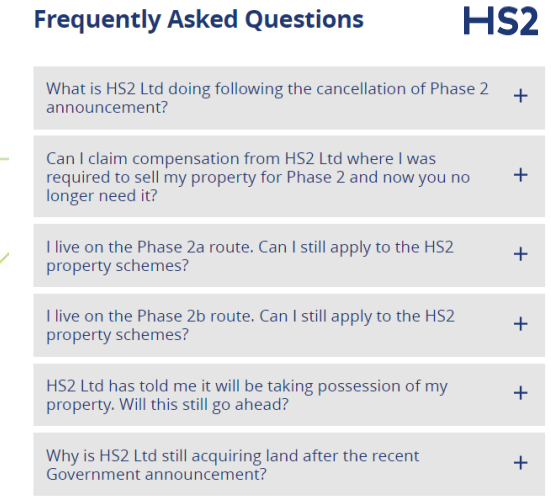
The current political context is no less uncertain with many decisions in limbo until the next election. Of particular relevance to the transport industry has been the delayed publication of new Local Transport Plan Guidance and accompanying Decarbonisation Toolkit.

Strategy implications:

- Ensure resilience to broader policy shifts through approaches such as scenario planning to reflect a spectrum of changes that could arise due to a general election
- Clearly articulate the needs and desires from local stakeholders such that it can influence national decision-makers to deliver the funding or policy changes required to deliver desired outcomes

Change in political direction since 2019





12 Local authorities are under severe financial pressure

Public finances are under severe pressure and local authorities are at risk of bankruptcy.

Need for intervention:

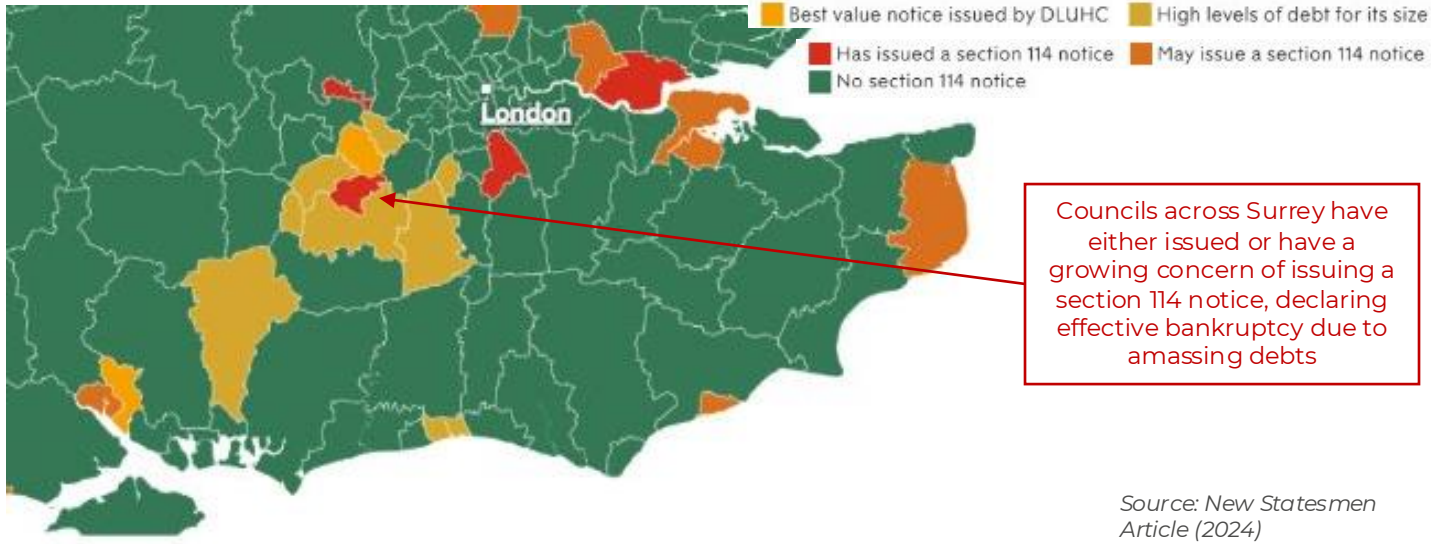
Local authorities are under increasing stress and several within the TfSE area are facing considerable financial issues.

There is limited funding available, and a high level of competition between different policy area objectives and geographies. This often means that longer term transport investment must be sacrificed to ensure that vital services are funded and legal obligations are fulfilled.

Strategy implications:

- Make best use of existing infrastructure, maintaining existing assets and revenue neutral or raising initiatives.
- Embrace opportunities for greater collaboration with third parties and the private sector to deliver change
- Embrace opportunities to work together – in some cases potentially at a TfSE level – to pool resources to tackle common challenges and capitalise on common opportunities.

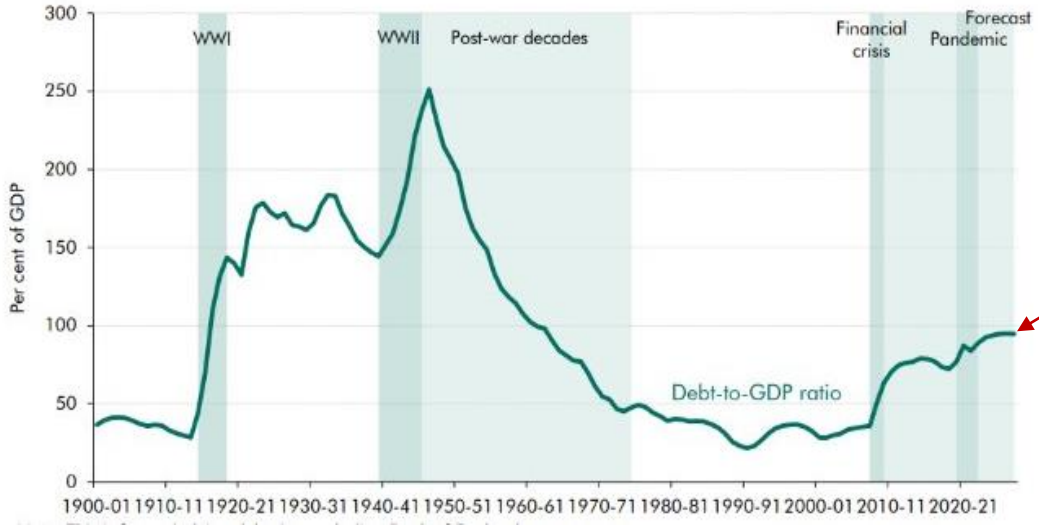
Local Authority financial issues



Councils across Surrey have either issued or have a growing concern of issuing a section 114 notice, declaring effective bankruptcy due to amassing debts

Source: New Statesmen Article (2024)

Debt to GDP ratio



As the national debt to GDP ratio rises, more funds are required to spend on debt repayments, reducing allocation for spend on infrastructure and services

Source: Office for Budget Responsibility (2022)

13 The region is not benefitting from devolution of powers and funding

There has been a reduced level of transport investment at a national level. While other regions have enthusiastically engaged with the devolution agenda, there appears to be limited appetite for more devolution in the TfSE area.

Need for intervention:

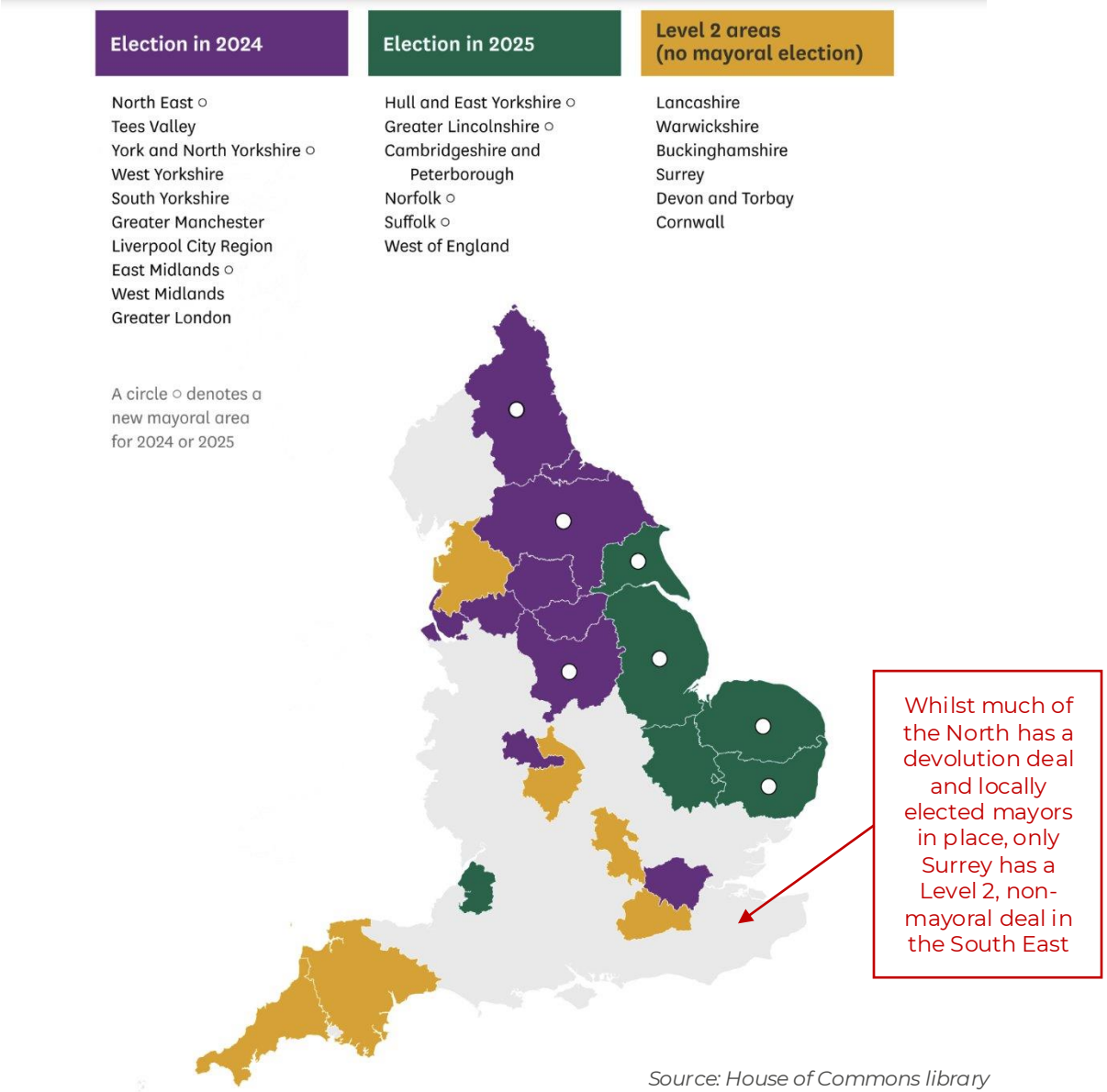
Devolution deals including additional funding and powers have been struck by many areas across England, but take-up of these opportunities by authorities within the South East has been limited.

Devolution can come with enhanced funding settlements, (e.g. City Region Sustainable Transport Settlements) as well as additional powers including bus franchising.

Strategy implications:

- Capitalise on the benefits of coordinated transport planning and investment
- Make the case for where devolved powers and funding could deliver enhanced outcomes
- Make the case for multi-year funding settlements with fewer bidding rounds to improve the efficiency of developing a scheme and attaining funding.

Devolution context across England



Source: House of Commons library

14 Railway industry finances are unsustainable

The rail industry is facing increasing financial challenges.

Need for intervention:

Despite ridership recovering to near pre-pandemic levels, slower recovery in the higher yielding business and commuting markets has meant rail industry income has not recovered to pre-pandemic levels, with government funding making up a far larger proportion of total income available to cover the operating spend on the railway.

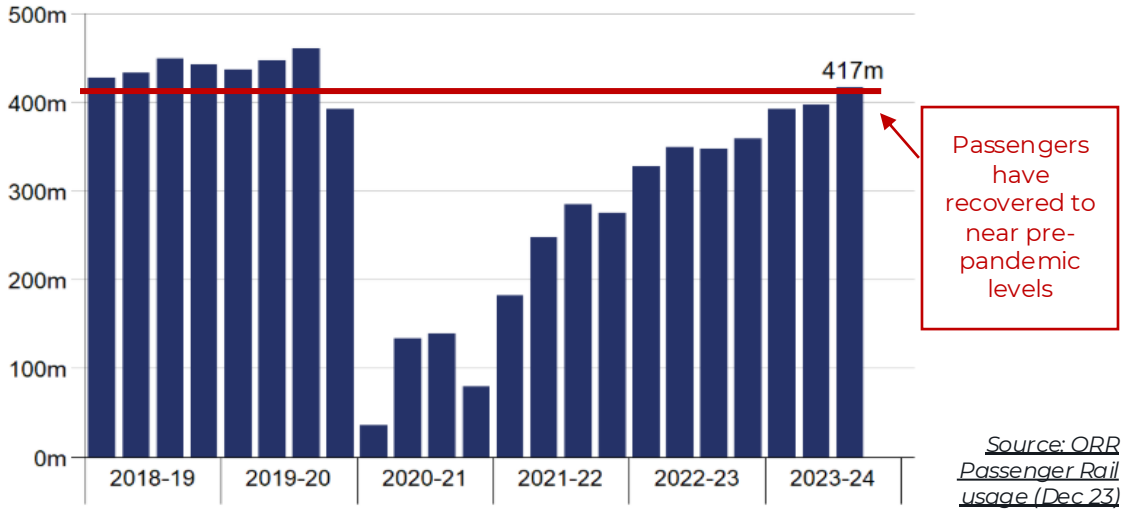
Rising operating costs due to staff and energy inflation, and continued industrial action continues to dent income for the industry. Private sector investment into the railways has also decreased since 2017. Rolling stock received less than half the private investment in 2022-23 as it received in 2017-18.

It is less likely that reliability, service levels, or quality can be improved significantly without a change in direction. However, plans for rail reform may present an opportunity for improving spending efficiency and delivering more value for users.

Strategy implications:

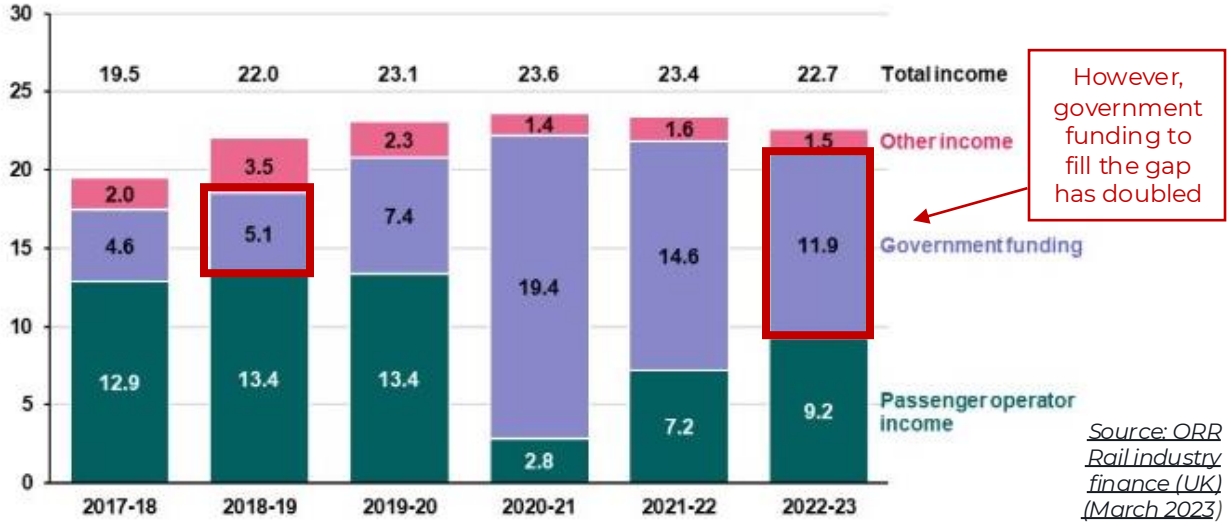
- Acknowledge the strain on rail finances means that investment in larger infrastructure enhancements may be pushed to the longer-term, with a focus on delivering smaller improvements over time.
- Foster greater partnership between TfSE, Local Transport Authorities, Network Rail, Train Operators and the Private sector to identify priority areas for investment and focus, and innovative ways to fund new capital projects as well as cover operational subsidies where required.
- Prioritise gradual and smaller upgrades over time.

Rail passenger recovery by quarter across Great Britain (2018-24)



Source: ORR Passenger Rail usage (Dec 23)

Level of government funding provided to the rail industry (£bn, 2017-23)



Source: ORR Rail industry finance (UK) (March 2023)

15 Rising costs are a barrier to delivering capital projects

Transport schemes face increasing capital costs as interest rates and the cost of construction have risen sharply and show no signs of slowing down.

Need for intervention:

Despite some levelling-off, construction costs have risen dramatically since the pandemic, whilst interest rates are the highest they have been since 2008. Furthermore, the costs and timescales of developing schemes is also rising.

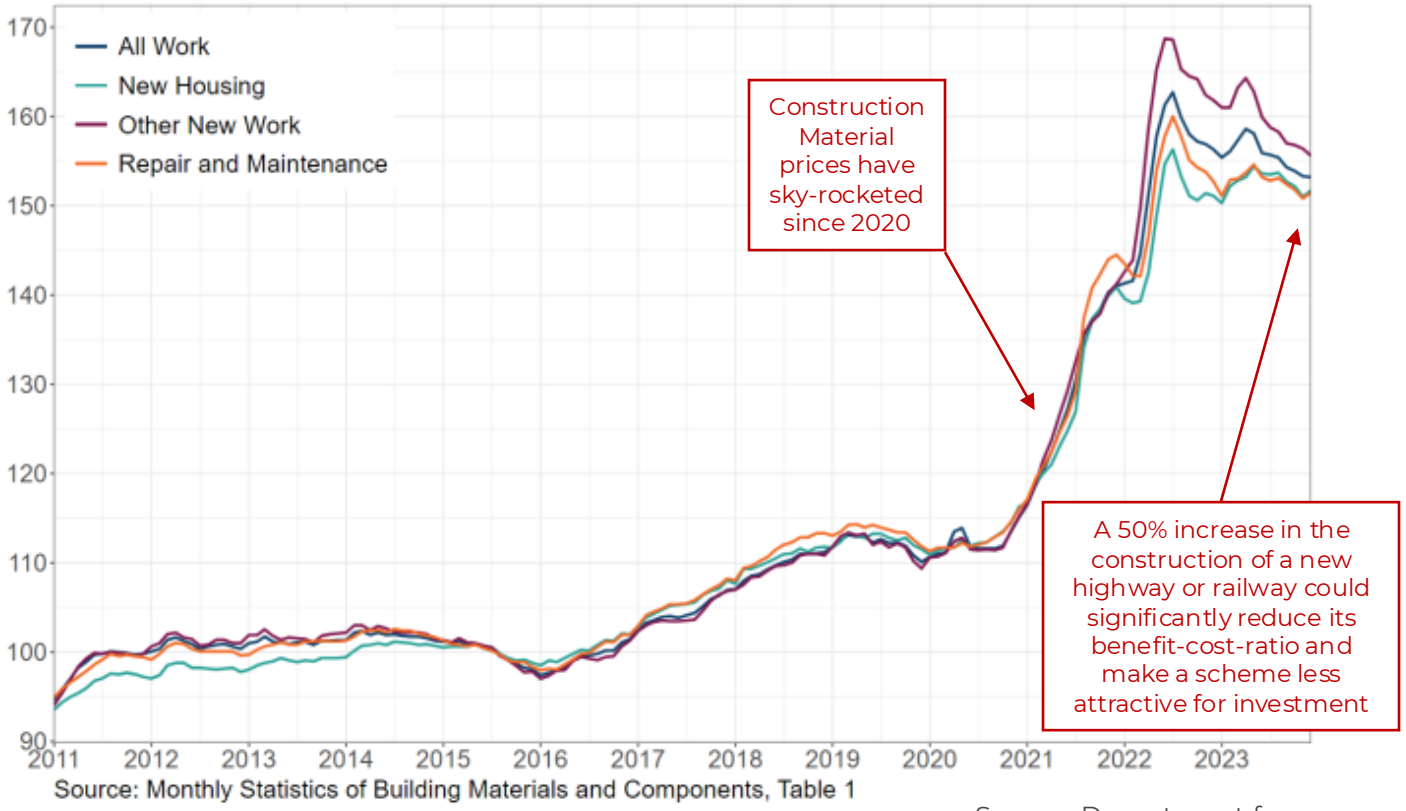
It will be a difficult time to deliver major transport projects. Delivering urban mass transit, new highway and railway schemes, and even investment in maintenance and renewals to improve transport resilience will be subject to high costs.

Strategy implications:

- Schemes will be under a high level of scrutiny to deliver a compelling business case. Schemes which are self-funded or low-cost will be prioritised. High-cost schemes may not be deliverable, even where they may be the most effective solution.
- Finding cost efficiencies, both during the development and delivery phases, such as through establishing institutional skills and capability, and rolling out programmes of interventions across the region to take advantage of economies of scale are also critical for maximising the benefits that can be delivered in light of rising costs.

Construction material prices

Chart 1: Construction Material Price Indices, UK
Index, 2015 = 100



Source: Department for Business & Trade (2023)

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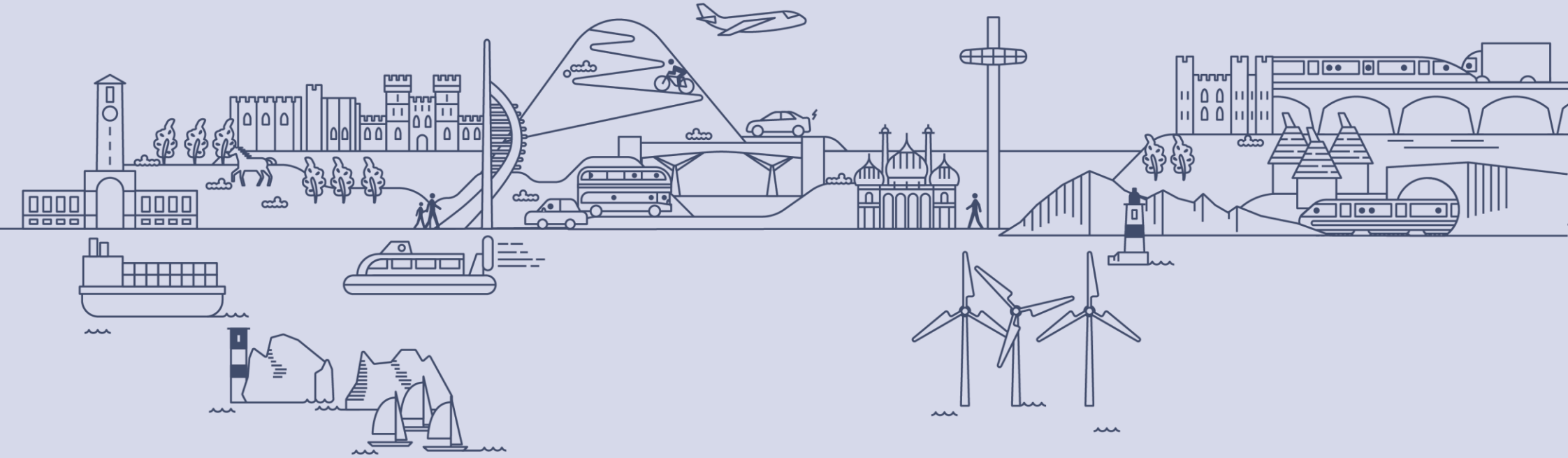


Consequences of Inaction

What is likely to happen in the absence of intervention

16 Public transport is unaffordable for too many people

We are in the midst of a cost-of-living crisis, and rising transport costs are creating an additional strain for households.

Need for intervention:

Increasing transport costs are limiting the ability for people to travel to access jobs, key services and leisure facilities, reducing their quality of life.

Public transport has increased in cost at a faster rate than private car, which disincentivises users to make sustainable transport choices, furthering car dependency. Rising public transport costs worsen transport related social exclusion as they rely on the service and have no alternatives.

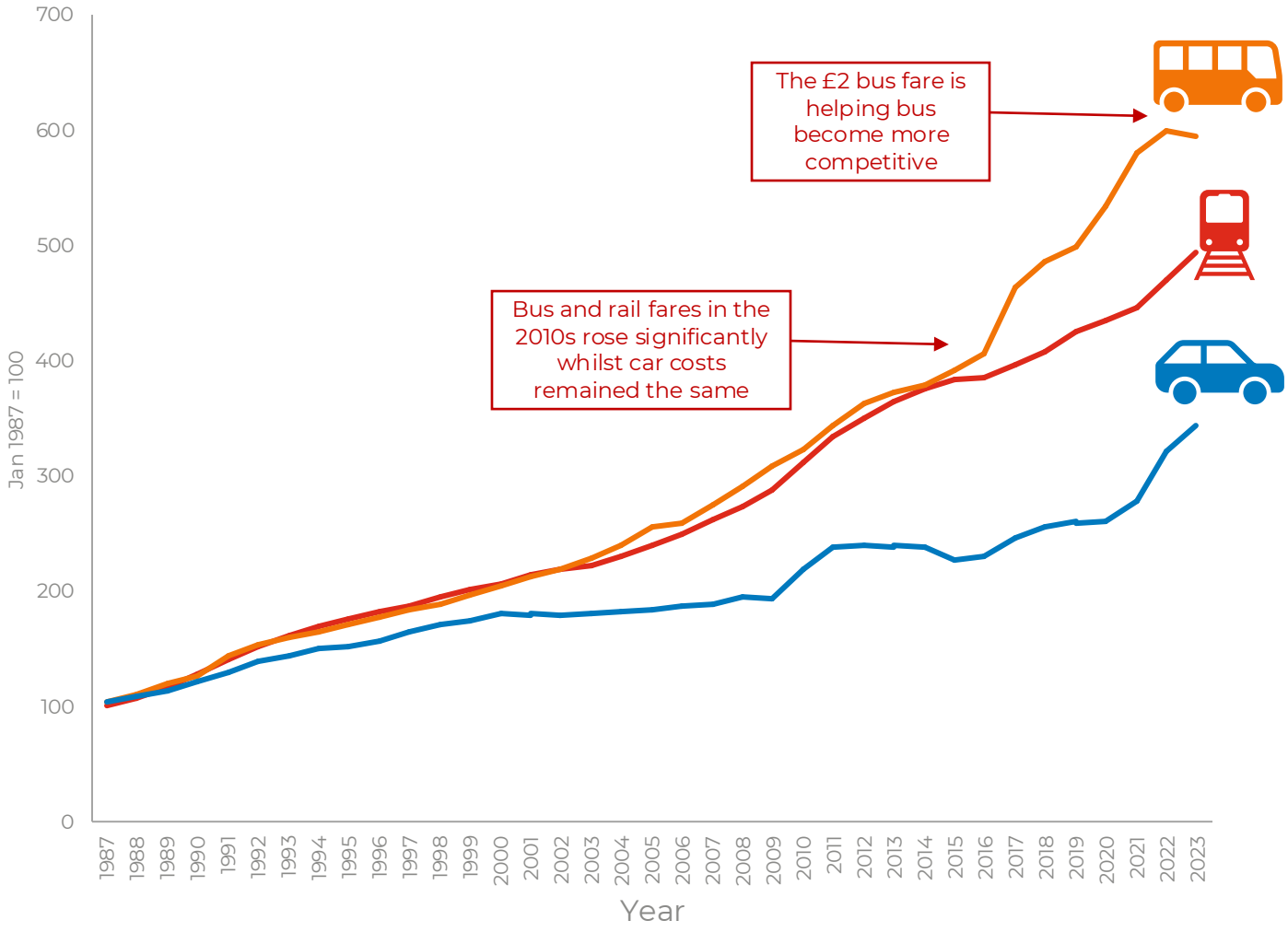
Furthermore, national funding for bus services has fallen by 35.6% since 2008/09 despite a recent push as part of the "Bus Back Better" programme giving Local Transport Authorities an opportunity to develop and deliver Bus Service Improvement Plans (BSIPs) to improve connectivity in their regions.

Strategy implications:

- Reduce the cost of providing transport, through new or innovative forms of financing, such as franchising, to stimulate ridership and growth
- Target operational investment for services for user groups who require it the most

Increases in the real cost of transport by mode since 1987

Growth in the real cost of motoring vs bus and rail fares since 1987



Source: Steer Analysis of Retail Prices Index (RPI): compiled from increases of bus and coach fares, rail fares and motoring expenditure (1987–2023)

17 Public transport appears to be in a cycle of decline

Bus provision and usage are both going in the wrong direction.

Need for intervention:

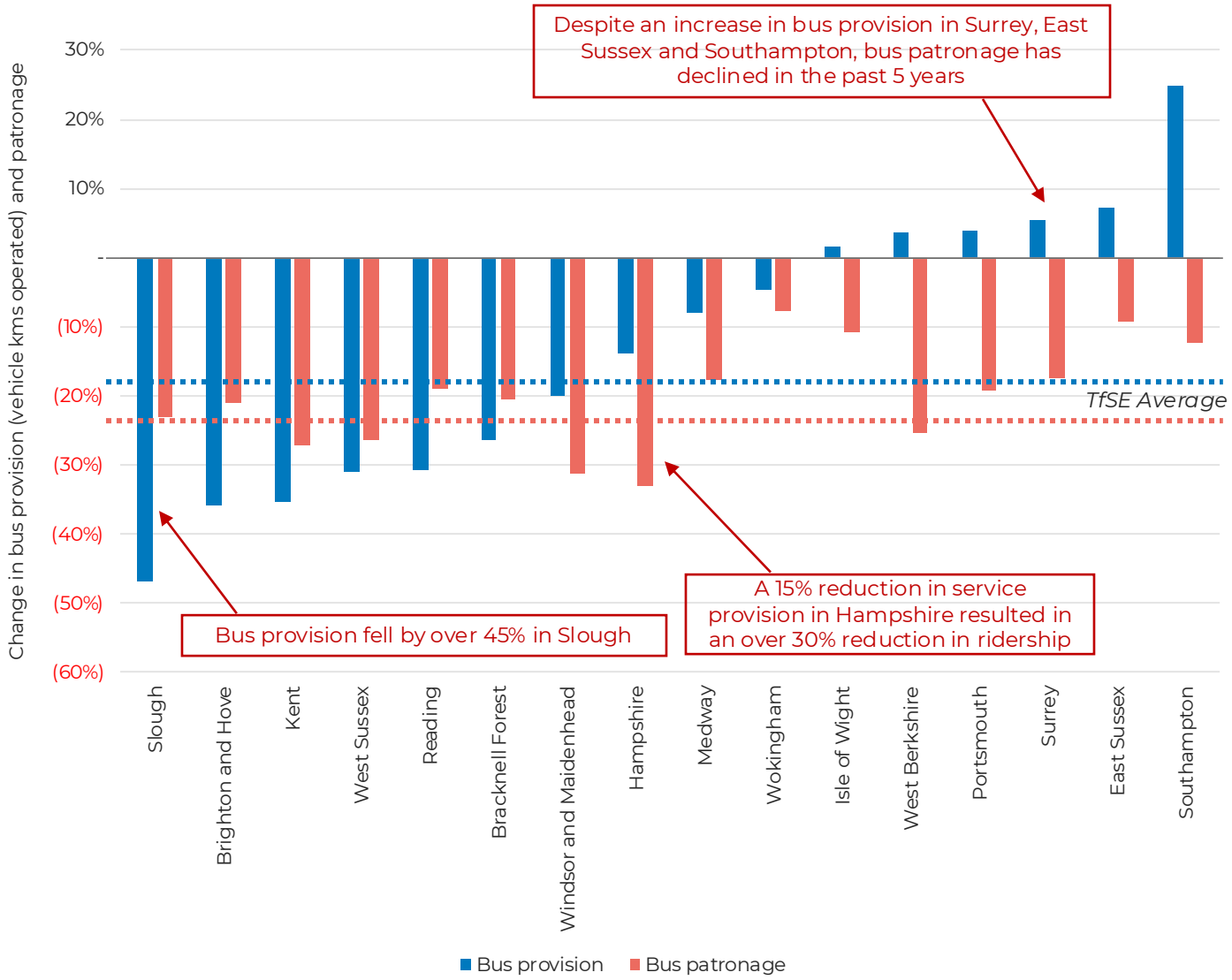
Across the South East, bus provision and patronage reduced by 19% and 23% respectively between 2021 and 2021.

There is a mismatch in some locations between provision and patronage: Southampton has increased the services operated by more than 20%, but has a decline in ridership, whereas Slough has cut services in half yet seen a similar decrease in patronage to Portsmouth where services have not been cut.

Strategy implications:

- Focus on developing and delivering ambitious bus service improvement plans across the region, both at a local and regional level.
- Consider the specific barriers to bus usage in different areas, and taking a holistic approach to provision ensuring that quality, reliability, and a dense network is available such that bus provision enables users
- Prioritise public transport provision, particularly where road-space is constrained on corridors into our larger urban centres, through road-space re-allocation and investment in higher-order mass transit such as bus-rapid transit

Change in bus provision and patronage by LTA in the TfSE area (2023 vs 2018)



Source: DfT Bus Statistics (2023)

18 Regional disparity in socio-economic outcomes persists

Coastal communities in Kent and East Sussex have a GVA per capita of less than half that of the Thames Valley and Surrey.

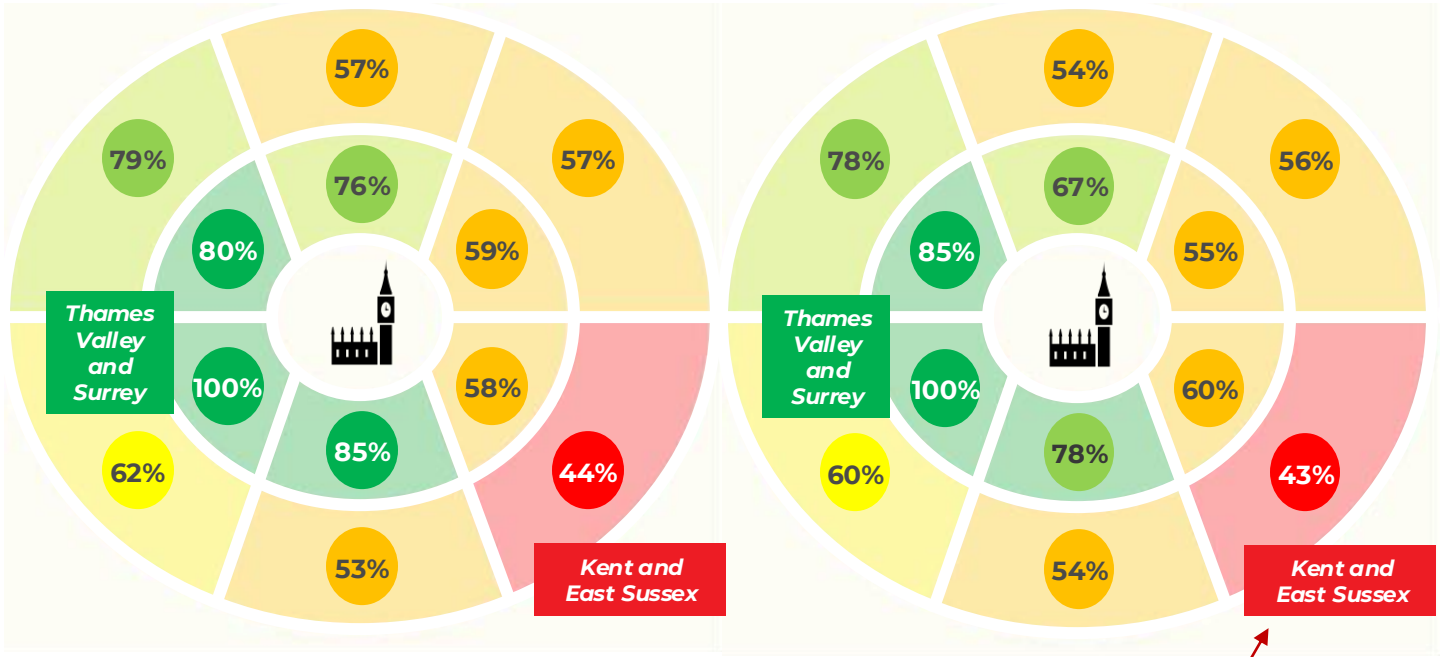
Need for intervention:

The diagram aide shows how GVA per capita varies across the TfSE area and comparable areas North of London, as a percentage of the highest performing part of the region. It shows a high discrepancy between areas within TfSE, with the GVA per Capita worsening the further East and away from London you are. Recent indicators suggest this gap is widening as the Thames Valley area and its key industries have been more resilient due to recent economic shocks, whereas the South Coast continued to be impacted by issues such as Brexit.

Strategy implications:

- Deliver a transport network that delivers at effectively connecting people with jobs and key services
- Facilitate economic growth and realise the benefits of agglomeration through bringing our centres closer together by providing better strategic inter-urban transport links
- Reduce economic productivity losses by reducing journey times and minimizing congestion and disruption
- Provide accessible and affordable transport so people can access the network and realise benefits

GVA per capita distribution around London (2018 vs 2021)



GVA per capita is lower the further East and away from London you are, this holds true to the North of London but is more apparent in the South, With future industrial structure changes forecast to happen in Kent, this disparity could widen

Source: GVA per capita (ONS, 2018 and 2021)

Presented as a % of GVA of TfSE SW Inner Orbital Quadrant (Thames Valley and Surrey)

19 Many areas are at risk of transport related social exclusion

A rise in transport costs, and fall in public transport provision, will reduce accessibility to key services such as education and healthcare, particularly for those living in already isolated coastal and rural settlements, and widen regional disparity.

Need for intervention:

The map aside shows that several of our coastal communities in Kent are at the highest risk of Transport Related Social Exclusion nationally, with more than 50% of residents have poor access to jobs and key services.

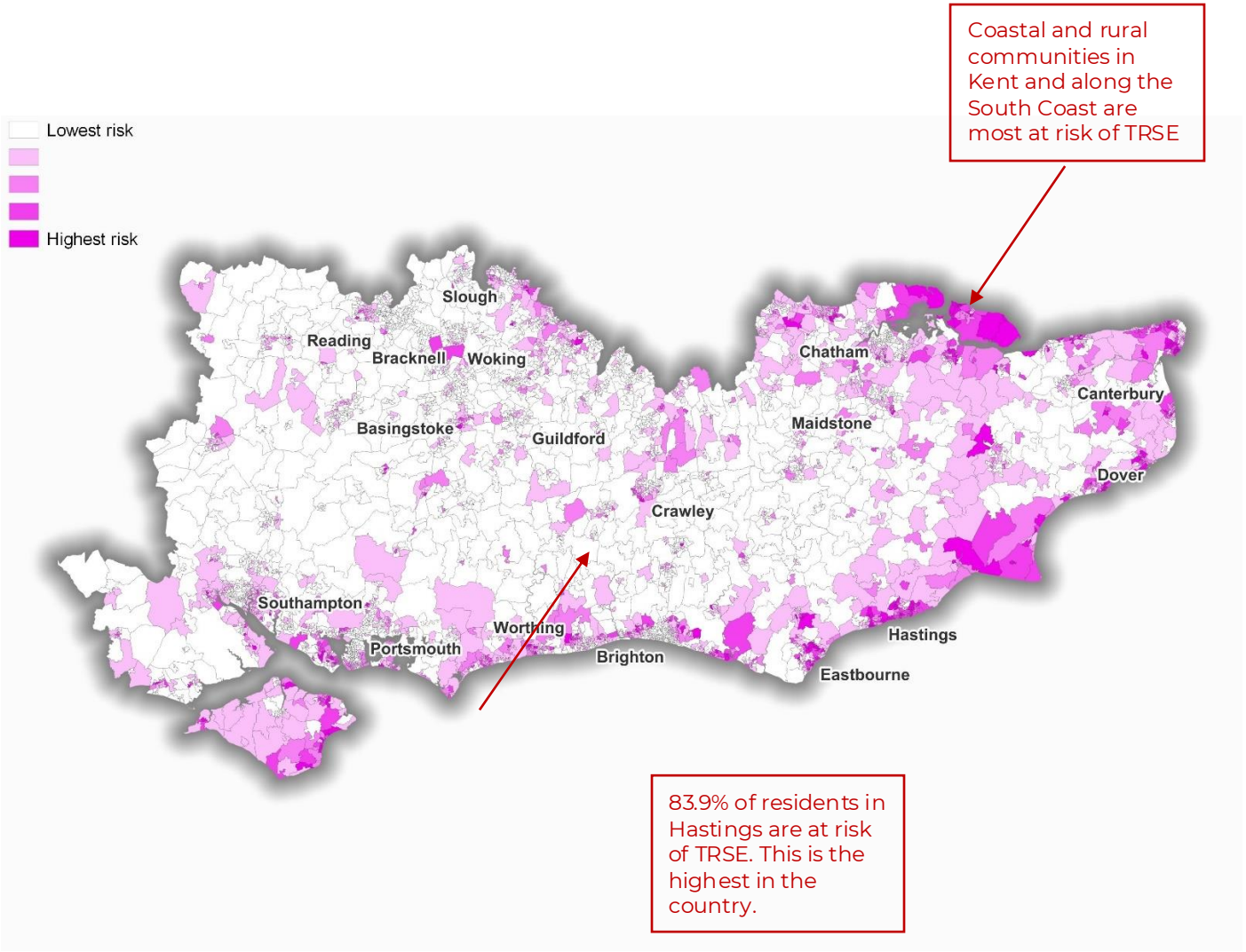
Despite several areas in the TfSE area amongst the worst in the country, national public spending per capita in the South East is now the second lowest in the country, meaning those living in deprived areas face risk of being left behind.

If the government's vision for "levelling up" the economy is to be realised, it will be increasingly important to continue to make a strong case for investment in the most deprived areas.

Strategy implications:

- Present a compelling narrative for transport's role in supporting social challenges, such that a there is a greater share of transport funding and focus given to improving connectivity in deprived areas in greatest need of investment and change

Areas at highest risk of Transport Related Social Exclusion



Source: TfN TRSE Analysis of ONS data - where greater than 50% are at risk of TRSE (2023)

20 Road congestion is too high in our Major Economic hubs

Town and city centres remain choked with traffic, leading to a plethora of negative outcomes including reduced economic productivity and poorer health and social outcomes.

Need for intervention:

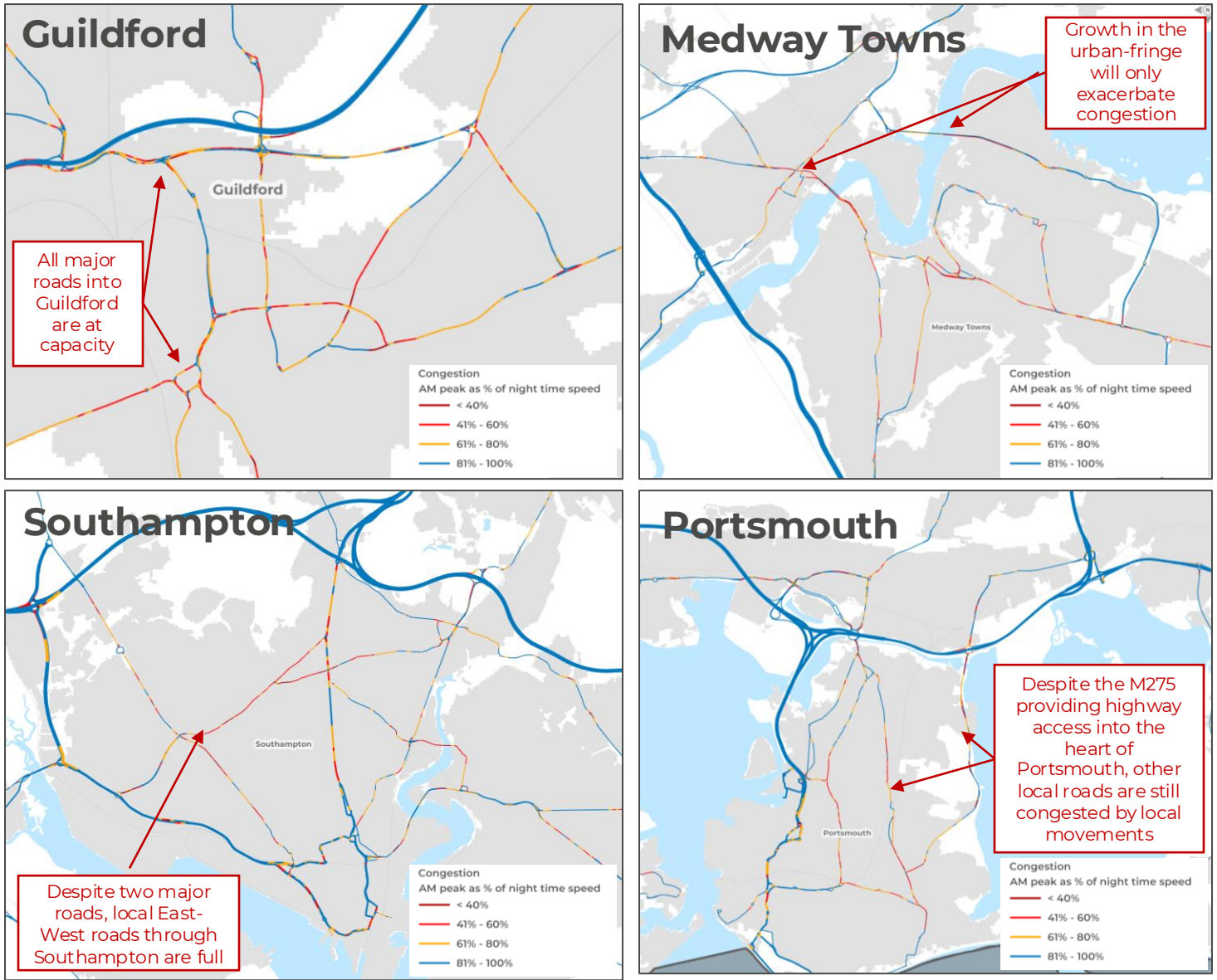
Whilst most of the major road network mostly operates at greater than 80% of speed limits, at peak times, pinch points on the approach to, and within major urban centres such as Guildford are heavily congested, with traffic flowing at less than 40% of the speed limit.

Residents and businesses of the TfSE area are therefore subject to lost time sitting in traffic, and those living near these areas suffer from the air and noise pollution that comes from idling road traffic. Congestion is therefore a barrier which if unresolved will make our towns and cities less attractive places to live and work.

Strategy implications:

- Encourage shift away from private vehicles to more space efficient modes such as bus and active travel, through a combination of stick and carrot initiatives which may include demand management policies such as parking levies and investment in higher-order mass transit enabled through re-allocation of road-space

Transport emissions change across the TfSE area



Source: Steer GIS Analysis of road-traffic data

21 Transport has an adverse impact on our health and our environment

Several major highways either encroach our protected landscapes, or pass through built-up urban areas, undermining the quality of both our urban and natural environments.

Need for intervention:

In Hampshire, several major highways including the A31 and A326 pass through the New Forest National Park. In West and East Sussex, as shown aside, the A27 carries heavy traffic through areas popular with cyclists and walkers, creating safety and severance issues for vulnerable road users.

In Hampshire and West Sussex, the M27 and A27 cuts through several communities in the Solent area and runs through Chichester, Worthing and Lancing. Many local journeys rely on this highway for local connectivity, which causes conflicts in traffic along the route and, consequently, undermines the attractiveness and viability of public transport and active travel on these corridors (around half of journeys on the A27 at Chichester and Worthing start or finish in their local districts)

Strategy implications:

- Encourage shift away from private vehicles to more space efficient modes such as bus, active travel and shared mobility, through a combination of stick and carrot initiatives which may include demand management policies such as parking levies and investment in higher-order mass transit enabled through re-allocation of road-space

A27 South West of Arundel showing impacts of road congestion on our environment

Source: National Highways – A27 schemes

22 Active travel participation is too low

Despite recent investment and some major regional cycle routes, uptake of active modes is low outside of a few select areas.

Need for intervention:

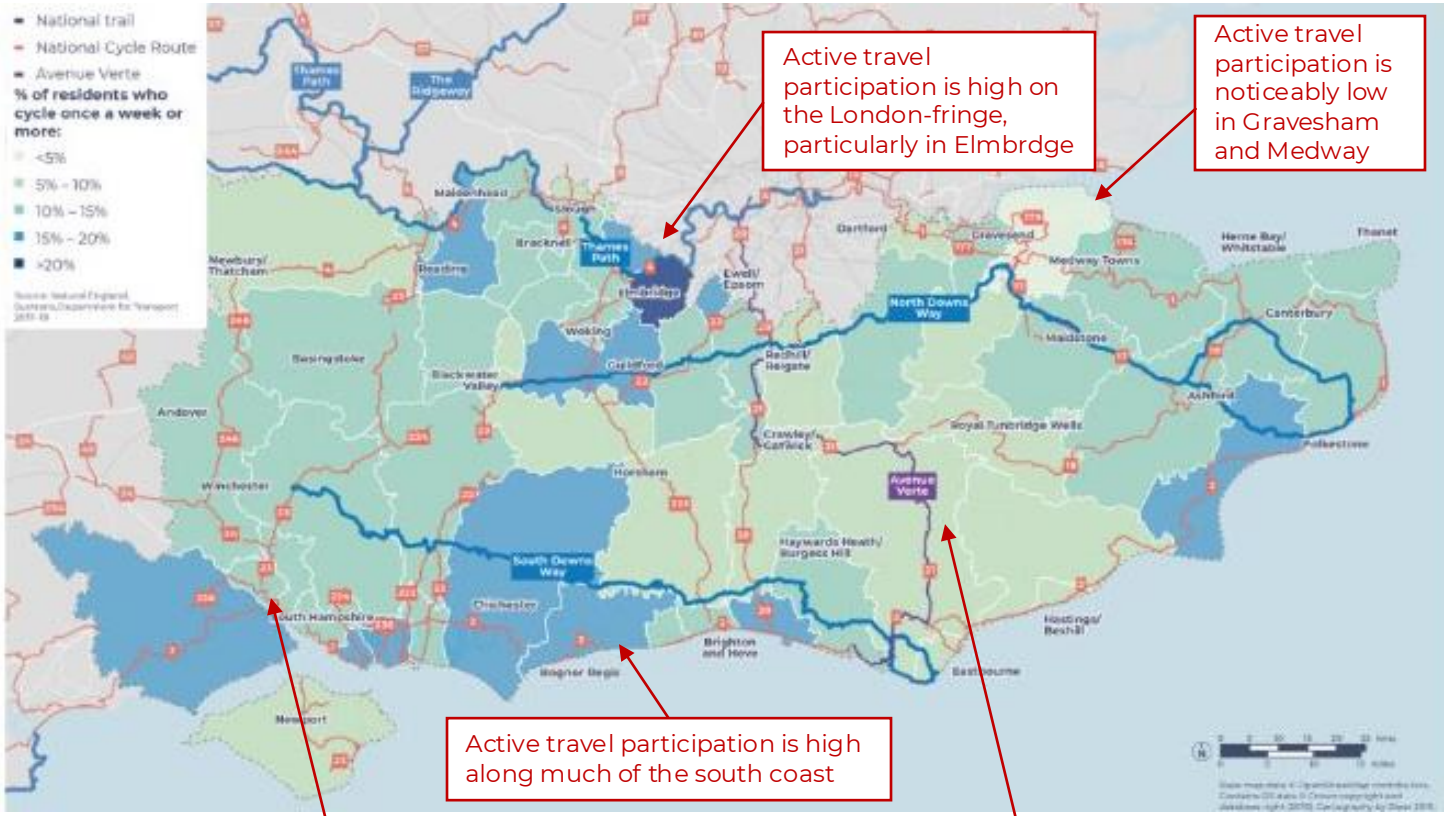
Across most of the TfSE, this number is 15% or lower. While the weald and hinterland has lower opportunity, much of the coastal and London-fringe urban areas have a cycling potential of +20% for commuting and +50% for school travel.

The growth of cycling during the pandemic was a visible example that quieter and safer roads, amongst other factors outside our control such as better weather, more free time and a lack of other leisure activities, encouraged our residents to choose active modes and live safer, healthier, more active lifestyles.

Strategy implications:

- Deliver an environment that encourages active travel, such as dedicated active travel corridors or speed restrictions on highways with a high propensity for active travel; and provide supporting infrastructure such as secure cycle storage facilities, and shared e-bikes to encourage more active travel
- Focus on behavioural change initiatives, such as active travel planning exercises with schools and local businesses, to encourage more active travel

Active travel routes and participation across the TfSE area



Source: Steer analysis of Active Travel participation data and Active Travel networks

23 The South East does not get the mass-transit it deserves

Public transit systems to do not meet all the needs of the area's largest conurbations.

Need for intervention:

While funding has been allocated for major road building schemes in recent years, the South East has yet to secure any major funding for mass transit projects. The figure aside shows how urban transit systems compare nationally.

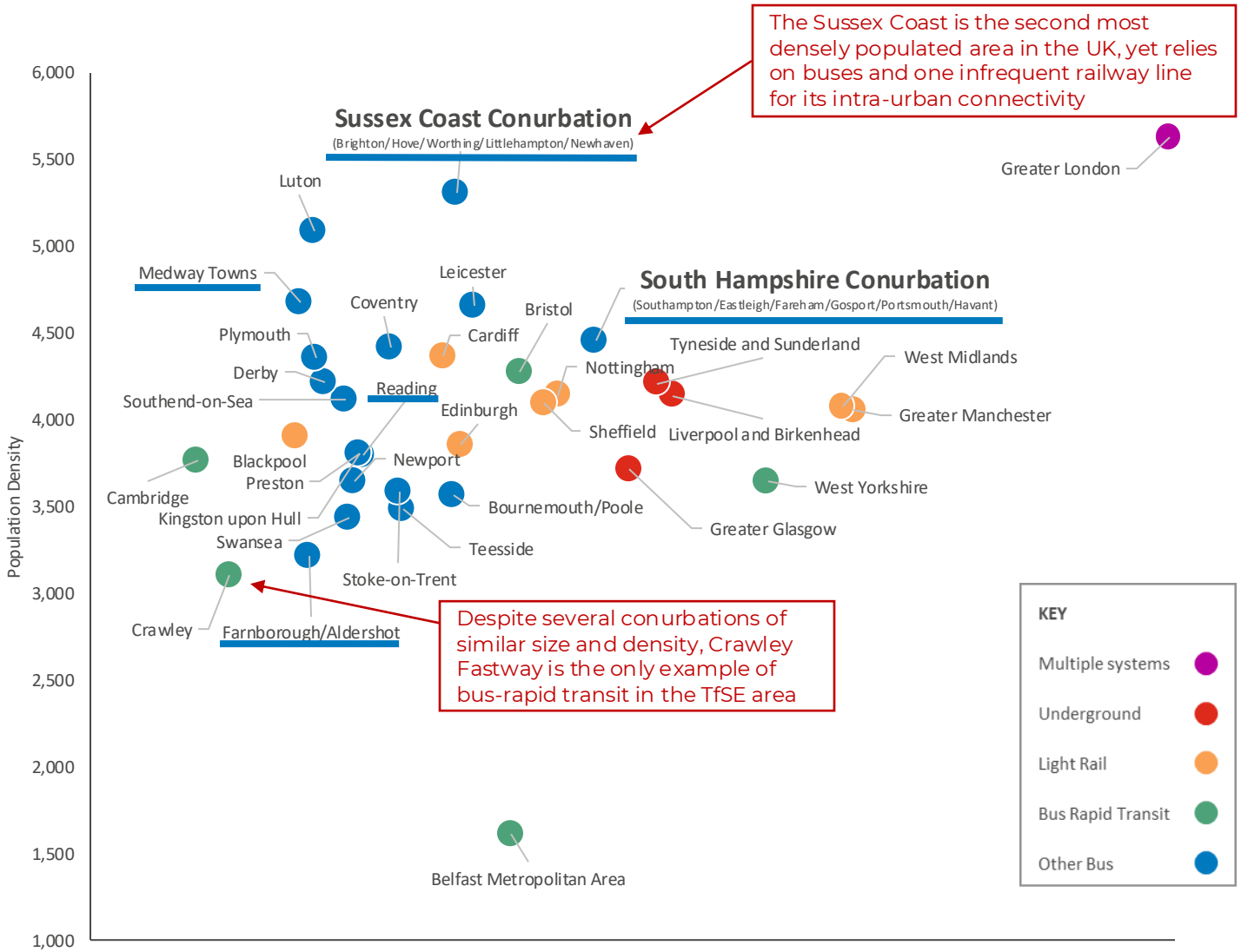
Given the relative size and density of the area's largest conurbations, it is striking that neither South Hampshire nor the Sussex Coast built up areas have mass transit systems such as Light Rapid Transit or Bus Rapid Transit.

Instead, these conurbations rely on conventional buses, which deliver slower journeys than alternative systems, and suburban rail services, which are infrequent, are not available to all, and do not adequately serve commercial centres. This means residents in these conurbations do not benefit from the accessibility, connectivity, and quality of mobility that is available in other cities.

Strategy implications:

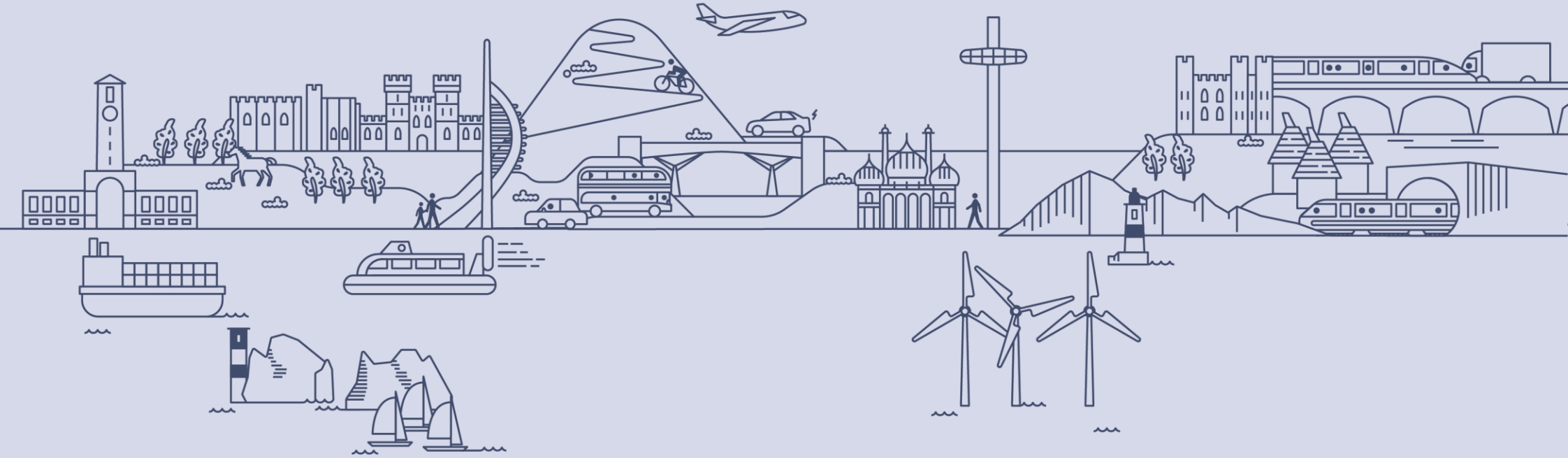
- Make the case for higher order mass-transit providing journey times competitive with private car to reduce car-dependency in larger conurbations of South-Hampshire, Brighton-and-Hove built up area, and contribute to improved transport and wider outcomes.

How transport networks in our major centres compare nationally



Source: Steer analysis of publicly available data (ONS) and research

TRANSPORT FOR THE South East



A challenging future

24 Poor digital connectivity risks leaving some communities behind

A lack of digital connectivity may limit the opportunity for which we can manage travel demands and level-up our areas which are most at risk of accessibility related inclusion.

Need for intervention

Access to technologies that could be genuinely impactful is uneven. Furthermore, the cost of accessing technology, such as faster broadband where it is available is a barrier.

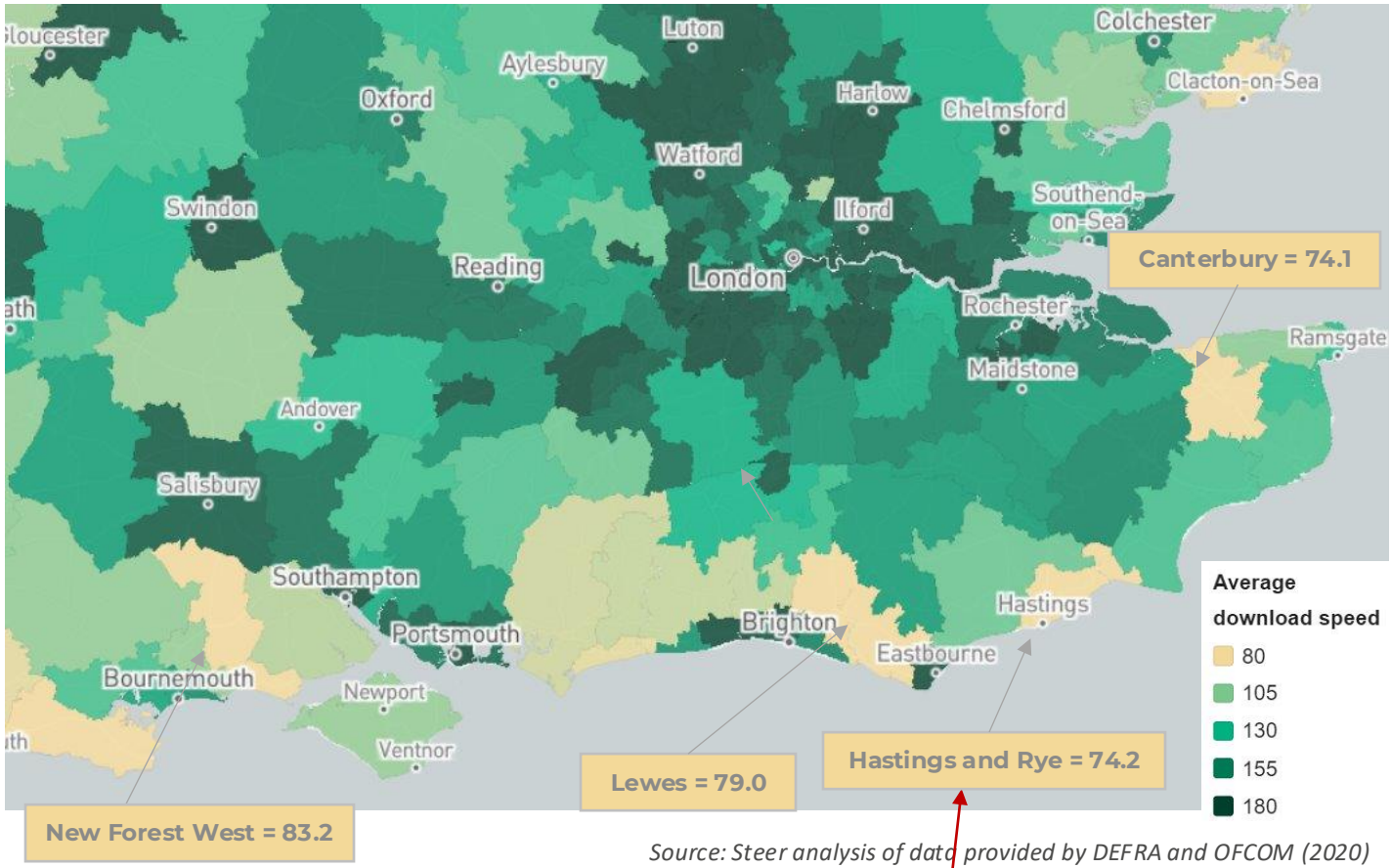
The accompanying map shows broadband speeds across the South East. Many areas with the best transport connections also benefit from the fastest broadband speeds, exacerbating the differences in transport related social exclusion in some areas. Hastings has the slowest journey times of all major conurbations on the South Coast and London, and also has some of the lowest broadband speeds.

Faster broadband speeds which are would support a greater dispersal of knowledge sector jobs, and enable more working from home. This may reduce trip demand, and overcome some of the trends shaping housing and transport in the South East.

Strategy implications:

- Reduce the need to travel, and provide alternatives through a triple access planning approach
- Work with ancillary policy areas to ensure a resilient transport and digital network

Average download speeds across the TfSE area (2020)



Source: Steer analysis of data provided by DEFRA and OFCOM (2020)

There is a noticeable correlation between places that have poor strategic transport connectivity, poor digital connectivity and have high levels of deprivation.

25 The benefits of future technology may not be equitably distributed

The recent uptake of electric vehicles, and rollout of EV chargers is uneven across the area.

Need for intervention:

The first diagram aside shows how the uptake of Electric Vehicles in the South East such as Surrey is significantly higher than other areas such as in South Hampshire and Kent. Given the high capital cost of purchasing EV's, there is a strong correlation with the level of disposable income.

The second diagram aside shows how the roll out of EV chargers is also very uneven across the South East. Whilst Folkestone and Canterbury have low levels of EV car ownership, roll-out of public chargers have been amongst the highest in the TfSE area.

The lack of public devices may hinder the confidence of users to switch to EV's and slow down the trajectory for decarbonisation.

Strategy implications:

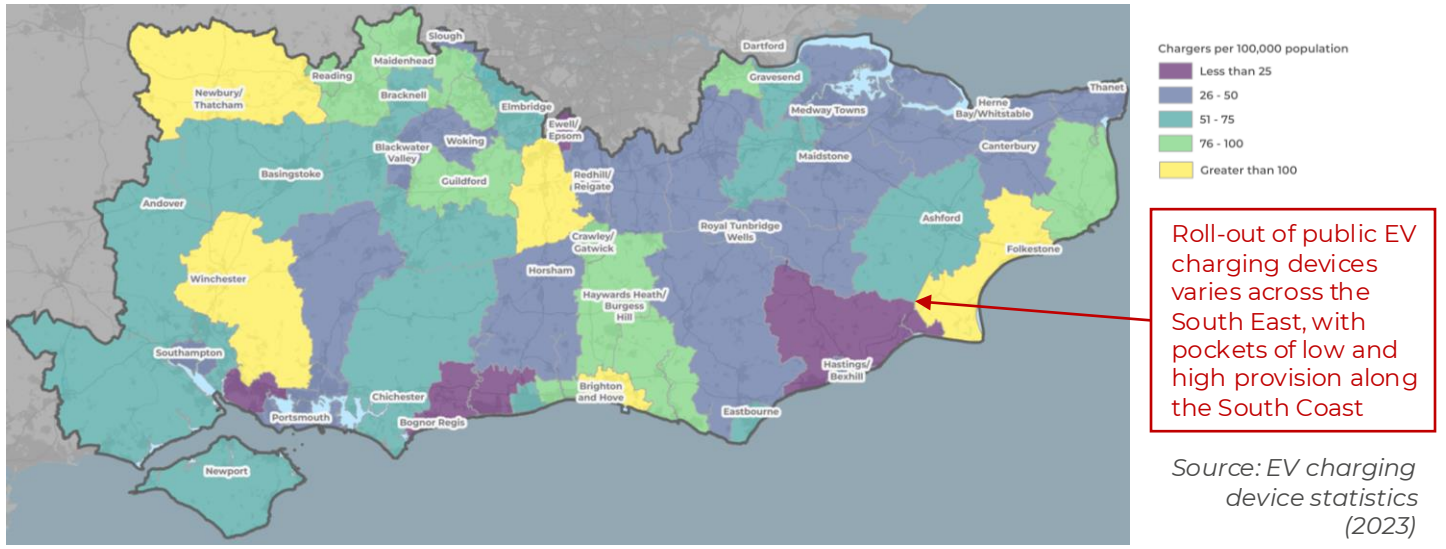
- Ensure equitable deployment of electric vehicles and supporting infrastructure such that the whole region decarbonizes between now and 2050
- Appreciate that there are alternative approaches to decarbonisation of private vehicle trips to complement EV roll-out such as switching to public transport and active modes, and reducing the frequency and length of trips made by private vehicles

Privately owned electric cars per 100,000 population

The high cost of EV's results in ownership having a positive correlation with incomes

Source: DfT Fleet Mix statistics (2023)

Publicly Available EV chargers per 100,000 population



Roll-out of public EV charging devices varies across the South East, with pockets of low and high provision along the South Coast

Source: EV charging device statistics (2023)

26 We don't have the luxury of time to rely on less mature technologies

While electric vehicle technology is advancing rapidly and presents a realistic opportunity to reduce emissions, many other proposed transport solutions are from a reality.

Need for intervention:

Whilst rolling out electric vehicles and supporting infrastructure is important in supporting decarbonisation goals, EVs, and any advances we may make in the next 30 years in autonomous vehicle technology, will still present similar congestion issues to traditional vehicles. For example, our strategic routes from our major ports, such as the A34, will not be able to handle the increased volumes from the Port of Southampton if we do not shift to rail freight.

Drones, even for niche applications like business-to-business freight in specific sectors, could create new conflicts and issues. While colossal projects such as Maglev, hyperloop, and "pods" are highly unlikely due to their costs and technological challenges.

Strategy implications:

- Focus on the realistic and feasible initiatives to bring forward the benefits of proven technology.
- Examine the potential benefits of other proposed solutions to assess the merit of further development.

Viability of proposed transport technologies

Zero-emission freight technology

Tri-mode locomotives are being rolled out which could enable zero-emission rail freight across the South East
Source: Railfreight.com

Despite recent trials, even optimistic forecasts for rolling out EV HGVs may still be years away
Source: UKRI – UK Research and Innovation

Next Steps

This Need for Intervention Report is the main element of our evidence base for the refresh of the Transport Strategy. This is alongside other work with Socially Excluded Groups, which will be reported on separately, as well as ongoing engagement with our key stakeholders. Also, we are undertaking a refresh of future transport scenarios for the transport strategy, as well and engagement with stakeholders and the public.

Immediately, once comments on this draft version are received from our stakeholders by 31st May 2024, an updated version of this report will presented to Transport Strategy Working Group and Senior Officer Group for approval by 10th June 2024.

Alongside the Scenario Planning, Socially Excluded Groups Report, and Engagement with Stakeholders, this work will collectively form the evidence base which will identify the key current and future challenges facing strategic transport across the South East. This will enable the development of a series of missions that will form the main part of the refreshed transport strategy. Work which will commence in earnest in June