

Rail and Urban Transport Review

Evidence from Transport for the South East

1. Introduction

Transport for the South East (TfSE) welcomes the opportunity to provide evidence to the Rail and Urban Transport Review on how a future government could accelerate connectivity within and between the UK's key urban areas.

1.1 TfSE is the sub-national transport body (STB) for the South East of England, bringing together leaders from across the local government, business, and transport sectors to speak with one voice on our region's strategic transport needs. Since its inception in 2017, TfSE has quickly emerged as a powerful and effective partnership for our region. We have a [thirty year transport strategy](#) in place which carries real weight and influence and will shape government decisions about where, when and how to invest in our region to 2050. The Secretary of State has confirmed that they will have regard to our strategy in developing new policy. We work closely with the Department for Transport (DfT) to provide advice to the Secretary of State. In the next parliament our ambition is to have an even more positive impact, by becoming a statutory body with devolved funding and powers over key strategic transport issues.

1.2 Our principal decision-making body, the [Partnership Board](#), brings together representatives from our 16 constituent local transport authorities, five Local Enterprise Partnerships, district and borough authorities, protected landscapes, National Highways, Network Rail and Transport for London.

1.3 Our [Strategic Investment Plan \(SIP\) for South East England](#) provides a framework for investment in strategic transport infrastructure, services, and regulatory interventions in the coming three decades. The plan provides a framework for delivering our Transport Strategy, which:

- is a blueprint for investment in the South East;
- shows how we will achieve our ambitions for the South East;
- is owned and delivered in partnership;
- is a regional plan with evidenced support, to which partners can link their own local strategies and plans – a golden thread that connects policy at all levels;
- provides a sequenced plan of multi-modal investment packages that are place based and outcome focused;
- and examines carbon emissions impacts as well as funding and financing options.

The plan presents a compelling case for action for investors, including government departments – notably the Treasury and Department for Transport (DfT) – as well as private sector investors. It is written for and on behalf of the South East's residents, communities, businesses and political representatives.

1.4 TfSE welcome this review and believe that the Call for Evidence is asking the right questions to accelerate connectivity. We trust that our response to the questions

will add value to the review, and we would be happy to meet with the independent panel to provide a further briefing.

2. Growth opportunity through unlocking planning

2.1 What do you view as the current key challenges hindering the delivery of rail and urban transport networks and infrastructure?

The delivery of improvements to rail and urban transport are being held back by three key challenges: the absence of a national transport strategy; the limits to the amount of funding available and the way that this funding is distributed; and the lack of integration between transport, planning, energy, economic development, and skills policy at all levels of government.

Without a single, coherent, national transport strategy, the Government is not able to set out a vision for the future of transport infrastructure, that local authorities, regional and devolved government, and businesses can align themselves to.

Instead, the transport sector operates in siloes, with responsibilities diffuse across several organisations, such as Network Rail, National Highways, the Office of Road and Rail, and different Department for Transport policy teams. Each organisation develops a multitude of different strategies, for each mode of transport and each policy issue, such as digital connectivity. Although effort is made to co-ordinate strategies within and between organisations, inconsistencies are inevitable.

Ultimately, each organisation only has responsibility for their own network, and as a result their strategies focus more on maximising the performance of their existing network, rather than thinking holistically about how the whole transport network should be improved and invested-in in the future.

Sub-national Transport Bodies are perfectly placed to help fill this gap. The Government has tasked STBs with developing thirty year transport strategies for each region in England, apart from London. These strategies are multi-modal and look at how the region can meet the Government's strategic objectives to grow and level up the economy; decarbonise the transport system to deliver Net Zero; and improve access to transport for all users.

These strategies look at which interventions are required; whatever mode of transport is best suited. Often, this leads to a multi-modal approach being sought, with investments together investments across road, rail, and active travel. If a new Government wanted to develop a national transport strategy, they would not need to develop a new strategy from scratch. They could bring together siloed elements of government transport policy into a coherent integrated national transport policy framework for England to guide the development of STBs regional transport strategies and local authority transport plans.

The second blocker to delivery is a lack of funding for transport infrastructure and the way this funding is distributed. It takes a long time to deliver infrastructure – assessing the need, scoping the solution, securing planning consent, acquiring the land, ensuring you secure any legislation changes you need, constructing the infrastructure, then testing its safety. Funding certainty is necessary across all stages

of this delivery life cycle, or projects will not be completed. Whilst the economic situation means government funding will be limited in the near term, it is essential that the next Government continues to invest in early-stage development of future schemes. Otherwise, there will not be schemes in the pipeline and when more funding is available, we will not be able to deliver them. This ‘boom and bust’ cycle of starting and stopping infrastructure investment leads to inefficiencies in the supply chain and contributes to shortages of contractors and consultants.

Because Government distributes funding in silos, funding is not utilised as effectively as it could be. As an example, National Highways must spend their funding on the Strategic Road Network, even if a rail intervention would better meet the Government’s objectives. This is another area where STBs could fill a gap and help deliver infrastructure more quickly and effectively, in a more joined up way. The next Government could give each STB a devolved budget allocation for its region and commission it to develop an investment plan for the next Parliament. Each STB could quickly turn around a joined-up plan for Ministers of how to spend this money in an integrated way, to maximise its impact. This funding is currently split between National Highways, Network Rail, and other funding pots and competitions, without a coherent strategy for maximising efficiencies and avoiding duplication. Sub-National Transport Bodies could also leverage this budget to bring in private sector funding and financing, in a way that Government does not do at present (see response to 3.3)

The third blocker on delivery is the lack of integration between transport, planning, energy, economic development, and skills policy at all levels of government. Decisions on these issues are taken by different organisations at different levels. Investments in transport are not as effective as they could be, if you are not also building housing around that route, investing in green energy to power that route, providing the conditions for businesses to grow alongside that route, and investing in skills so that people can take advantage of the new jobs that you are helping to create.

Land use and transport planning are too localised and are currently fragmented between different tiers of local government. Land use planning is largely responsive and is currently based on “calling for sites” rather than proactively seeking the best locations for new development that consider the transport, economic and social infrastructure needs associated with it.

2.2 What spatial planning and associated policy and legislative changes would help unlock the delivery of rail and urban transport projects?

The next government could unlock the delivery of rail and urban transport projects by removing the blockers that were highlighted in 2.1. Put simply, the next government could unlock delivery by developing a national transport strategy, devolving funding and power to STBs, and integrating transport, planning, energy, economic development, and skills policy at all levels of government.

Local authorities frequently express a reluctance to explore rail and active travel options, because of concerns that this is not government policy. If a national transport strategy instructed local authorities to explore these options, it would help provide direction and comfort - and get projects moving.

With devolved funding and powers, STBs could develop a well-rounded, integrated package of investment that brings together all modes to maximise impact and speed up delivery.

By integrating transport, planning, energy, economic development, and skills policy at all levels of government, local authorities, STBs and Government could develop policies which ensure maximum benefit.

2.3 Are there best practice or wider international examples that could be adopted to support growth through unlocking transport network and infrastructure delivery?

The merits of an integrated approach to transport, planning, energy, economic development, and skills policy are demonstrated in the devolved administrations of Wales and Scotland, as well as metropolitan mayors, such as London, Greater Manchester, and the West Midlands.

Although each of these administrations have different levels of powers and funding, they each bring together a combination of these powers, with the intention that transport investments are not made in isolation of other social and economic factors. We know that this makes transport investment more effective, but it also unlocks housing growth and improvements to the environment and quality of living. Cranbrook in Devon is a case study in a new town which by integrating planning, land use and transport, built a railway, alongside an integrated community, with shops, schools and other services all in walking distance.

3. Clarity and certainty of policy and funding

3.1 What are the key tenets of a successful, strategic long-term policy for the delivery of rail and urban transport networks, taking into account wider decarbonisation and transport integration goals?

A national transport policy framework should be built around an integrated multimodal approach to infrastructure planning and delivery that puts the user at the heart to ensure better outcomes for people and places, rather than modes, networks and vehicles are realised.

The approach to national transport policy formulation should give effect to a 'plan and provide' approach with a clear vision encompassing the economic, environmental, and social outcomes being sought. It should set out how various strategic transport interventions are going to be applied to achieve these strategic priorities.

The national policy framework should embrace the full potential of new technology that will enable more efficient use of existing the transport assets and help achieve decarbonisation goals.

TfSE and other STBs have followed this approach in the development of their vision led transport strategies. An English national transport strategy needs to be developed in a similar way setting out an overarching transport policy framework for STBs regional transport strategies and LTAs Local Transport Plans.

3.2 What reforms to current transport funding approaches would support the safeguarding and expansion of rail and urban transport networks and infrastructure? Does the Green Book allow for sufficient factors to be taken into consideration and what should any additional factors/considerations be regarding infrastructure?

Whilst the recent changes to the Treasury [Green Book](#) have provided a shift in thinking, it is important to note that transport is an enabler, and so the current [Transport Analysis Guidance](#) (TAG) is often too narrow to fully capture the wider benefits of schemes. This is particularly the case where they are facilitating development and the provision of new homes and employment opportunities. In these instances, the use of a 'Strategic Economic Narrative' to join up the traditional strategic and economic dimensions of the business cases can be useful to clearly set out the case for a scheme. This can be supplemented with additional (non-TAG) analysis and appraisal to capture the wider benefits that will be realised by the housing and employment opportunities facilitated by the scheme, which can often differ from the more traditional definition of "dependant development".

In their response to the Green Book Review, DfT published [Capturing local context in transport appraisal](#). The use of a wider range of appraisal tools and techniques such as those described in that document should be encouraged, where appropriate. The officials assessing business cases should be open to considering these alternative assessments. Decision makers should follow the principles of the Green Book revisions and need to be made aware of the entirety of the five-case business case process, and not overly focus on just the benefit cost ratio (BCR) within the economic case.

3.3 What mechanisms are available to facilitate effective public/private relationships and funding?

The way Government funding pots work does not encourage private sector funding and financing of projects. Indeed, Government funding often discourages or prohibits private sector funding and financing of infrastructure.

Unless private sector funding is part of the initial scoping of a project, such as the Northern Line extension to Battersea, there is often not a way of assessing whether private sector funding or financing could be brought on board. Often, when the Treasury approves funding, it does so in full, providing this funding to a delivery body, such as National Highways, via the Department for Transport.

At this point, National Highways is instructed to commence work, and a private sector funding or financing model is not looked at. This results in an imbalance, where a few lucky projects are funded in full, but a greater number of projects do not receive any funding at all.

At the moment, there is no organisation which can leverage private sector funding and financing and use it to unlock national projects. If STBs were given a budget allocation (or a remit to seek out finding private sector funding and financing as a scheme promoter, on behalf of government), we could usefully play this role. Across our SIP, there are a number of strategic investments which have not yet received

government funding, where we think private sector funders and financiers may be interested in providing some or all of the funding. We are currently in the process of developing case studies, that we will test with private sector funders by the end of April this year. We are the first STB to trial this work and think it could be extremely impactful, in reducing costs to government and getting a greater number of projects off the ground.

3.4 What role does the maintenance of existing transport assets play in harnessing growth and how could the current approach be improved?

Maintenance provides a mechanism for achieving growth more quickly through the rapid deployment of resources, including labour. Overall, the long term economic benefits will be less than those realised through the delivery of network enhancements that improve connectivity or create new connections.

Effective maintenance is vital to deliver consistent network performance and journey time reliability to people and businesses. Cuts to local authority budgets over a number of years have meant maintenance expenditure has been insufficient to keep pace with the needs of the network. This has led to a decline in the condition of the asset and resulted in the current pothole crisis, causing users increased costs and inhibiting economic growth.

4. Devolution and sustainable partnerships

4.1 What role does devolution have in supporting and accelerating the delivery of rail and urban transport networks and infrastructure fit for the future?

Further devolution of fiscal and decision-making responsibility has a key role to play. There is currently a disconnect between the national siloed approach to the identification, development, and delivery of enhancements to the strategic road and national rail networks and local transport plans developed by local transport authorities.

The transport strategies and investment plans developed by STBs serve to strengthen the 'golden thread' between national and local transport policy. To further strengthen this all STBs should be given statutory status and the responsibility for the identification of larger scale network enhancements on the national road and rail networks should be transferred to STBs.

This would ensure increasingly close alignment between national regional and local transport plans to ensure individual community needs are well understood and that projects at every scale complement each other, avoiding duplication of effort and delivering better value for money.

4.2 How can effective relationships be facilitated between all tiers of government, to help accelerate growth and deliver rail and urban transport networks and infrastructure?

STBs play a critical role in bringing together local transport authorities, district and borough authorities, business groups, National Highways, and Network Rail. We are the only organisation that sits at the regional level, that thinks across modes about

the strategic transport needs of the future. We currently facilitate engagement and sharing of best practice between this group of stakeholders which would not take place otherwise.

However, as set out in 2.1, we currently lack funding and power that would enable us to have a transformative impact on these relationships. With a devolved budget and statutory powers, we could bring local authorities, business groups, Network Rail and National Highways and others together to create a single investment plan for the south east for the next parliament, with each agency responsible for delivering their part of it.

4.3 How can the capacity of public bodies be enhanced to effectively partner, procure and deliver urban transport and rail networks and infrastructure and provide value for money?

Lack of capacity and capability at the local level hinders investment in urban transport. Local authorities have faced a prolonged period of real-terms cuts to funding, which has led to a capability and capacity issues in transport planning and scheme development.

Although investment in mayoral combined authorities is welcome, this has widened the gap between relatively prosperous mayoral combined authorities and other local authorities, who feel left behind.

Recognising this issue, the Department for Transport asked each STB to develop a Regional Centres of Excellence, which aim to develop the capability of local transport authorities in its area. TfSE's Centre of Excellence will be launched in April 2024. It will help share best practice and provide a critical friend to local authorities in their procurements.

5. Private Sector and Industry Capacity

5.1 How can effective private sector investment be best leveraged in the long term to unlock growth?

As set out in 3.3, STBs could leverage private sector funding and financing to enable more investment in infrastructure, more quickly than would otherwise be possible.

5.2 What can be done to build resilient and efficient supply chains and necessary skills to accelerate infrastructure delivery and maximise value/job creation to local communities?

Long term funding certainty is vital to ensuring pipelines of schemes can be developed, serviced by fully resourced supply chains that are able to develop and retain the staff needed to deliver an efficient and effective service. The current stop/start approach to infrastructure funding hinders this.

5.3 How to best harness the benefits and be adaptable to future technological trends in the sector?

The UK must retain its role as a world leader in technological developments as there are considerable network performance improvements that can be delivered through technological developments, such as improved travel information, ticketless journeys, variable speed limits and connected vehicles. The Government must continue to sponsor technological innovation by creating the framework that enables private sector organisations to continue to develop and trial new technologies.

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