

Report to: **Partnership Board –Transport for the South East**

Date of meeting: **13 June 2022**

By: **Lead Officer, Transport for the South East**

Title of report: **Working towards a Strategic Investment Plan**

Purpose of report: **To approve the draft Strategic Investment Plan for the purposes of consultation**

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**RECOMMENDATIONS:**

**The members of the Partnership Board are recommended to:**

- (1) Note the progress on the tasks associated with the development of the Strategic Investment Plan; and**
- (2) Agree that the draft Strategic Investment Plan and associated Integrated Sustainability Appraisal (ISA) are approved for a three month consultation period.**

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**1. Overview**

1.1 The purpose of this report is to provide a progress update on the development of the Strategic Investment Plan (SIP) and to seek Partnership Board approval for the TfSE secretariat to begin a three month public consultation on the draft SIP and its accompanying summary Integrated Sustainability Appraisal (ISA).

1.2 The SIP will form the final part of the transport strategy, bringing together the outputs from the area studies and thematic studies, to become the blueprint for investment in the south east for the next 30 years.

1.3 The aim of the SIP is to identify the packages of interventions that will be needed to deliver the 2050 vision set out in the transport strategy using a recognised UK Government approach. It is important the SIP:

- supports the aim of the transport strategy in delivering sustainable economic growth;
- sets out a clear sequence and timescales for the packages of interventions identified as part of the area studies;
- presents a compelling case (strategic, economic, social, environmental) to government and other funders for the delivery of the packages of interventions identified in the SIP; and
- identifies the potential cost of the proposed programme of investment.

## 2. Working towards a Strategic Investment Plan

2.1 The SIP forms the final part of the Transport Strategy which was published in June 2020. The Transport Strategy outlines a shared vision for the South East. It expands this vision into three strategic goals that represent the three core pillars of sustainable development – economy, environment and social – and it then describes the priorities and initiatives that will help achieve its vision.

2.2 This has been taken forward through the development of five Area Studies and two thematic strategies on Future Mobility and Freight, Logistics and International Gateways.

2.3 In July 2021, the Partnership Board agreed to commence activity on a Strategic Investment Plan (SIP). The SIP was procured in October 2021 and throughout the last nine months there has been considerable engagement with the Partnership Board, Senior Officer Group and other stakeholder groups to develop the draft document for consultation.

2.4 The SIP brings together the outputs from the area studies and the thematic strategies to make a compelling case for investment in the South East. It is supported by a significant body of evidence, including the area studies, future mobility strategy, freight strategy and thematic papers. Appendix 1 details the considerable evidence base underpinning the document.

2.5 The SIP is also aligned with and supports wider policy and government priorities at multiple levels and across multiple transport modes, including the Local Transport Plans, Transport Decarbonisation Plan, Bus Back Better and the Williams-Shapps Review (Appendix 2).

2.6 The SIP sets out an ask for capital costs investment of £45 billion<sup>1</sup> over the next thirty years. The transport interventions included in the SIP have the potential to generate 25,000 new jobs and to contribute an additional £4.5 billion growth in GVA per year against the business as usual scenario. The plan also has the potential to reduce the amount of CO<sub>2</sub> emissions by 1.4 mega tonnes each year from the interventions alone and support a pathway to reach net zero. It will have an impact on daily journeys, supporting 500,000 more rail trips and 1.5 million more journeys by bus and ferry.

2.7 The expected **outcomes** from the SIP are:

- That the SIP will be given due regard in investment decisions made by Government and delivery partners; and
- That the transport strategy, SIP and associated evidence base will be adopted as regional strategic transport policy.

## 3. The draft Strategic Investment Plan

3.1 The development of the SIP was made up of a number of tasks, such as developing a compelling narrative for investment, bringing together the outputs from the area studies and reviewing the potential funding and finance mechanisms. A number of detailed reports will be published as technical appendices to the SIP and

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<sup>1</sup> Capital Cost of Construction, Mid Cost Estimate, 2020 prices

will be made available at the same time as the draft SIP is published for public consultation.

3.2 The draft SIP consists of six sections which guide the reader through the development of our ambitious programme. A summary of the content of each of the sections is set out below.

3.3 The opening section of the draft document sets out the context for the development of the draft SIP. It provides an overview of the role of Transport for the South East, the vision and strategic goals from the Transport Strategy, the approach to the development of the draft document and its position in relation to national and local policy.

3.4 The draft SIP then sets out the eight investment priorities aligned with the vision and strategic goals of the Transport Strategy and the wider regional, national, and international policy context with which both are aligned. This includes broader issues where action is needed across sectors, including transport, such as decarbonisation and the environment and adapting to a new normal, and key factors with a direct relevance to transport in the south east, such as east-west connectivity and world class urban transit systems.

3.5 The next sections of the draft document set out the benefits of investing in the South East and that there will be economic, social, and environmental returns for residents, businesses, and visitors, supporting the UK economy and enabling Government to achieve its priorities.

3.6 The third section of the draft SIP details 30 coherent packages of complementary, multi-modal Interventions that aim to deliver on the vision and objectives for the South East as set out in the Transport Strategy. These packages have been developed through the area studies, including workshops, discussions, and careful analysis of results of the assessment of the long list of interventions. In essence, this reflects both a 'top down' vision led approach and a 'bottom up' individual intervention assessment approach.

3.7 The packages are broadly split into two groups:

- 6 Global Interventions consisting of national regulatory and policy activity.
- 24 Place-Based Interventions: presented at a sub-regional level, with many being multi-modal or mode-agnostic.

3.8 It is intended that this combination of strategic investments will allow TfSE to achieve its objectives and, in doing so, support wider local, regional, and national policy and priorities.

3.9 The packages are presented in a map-based format and the document highlights the key benefits of each package.

3.10 The SIP is an ambitious and capital-intensive programme, seeking capital cost investment of £45bn over the next 30 years. The credibility of the plan therefore needs to be underpinned by a pragmatic consideration of how it will be paid for. The main financial challenge will relate to funding (i.e. how the projects are paid for over time). This will involve making best use of funds that can be directed from

government and identifying new and innovative approaches. The funding and financing section of the draft SIP sets out more detail on this, including a number of case studies for schemes included in the plan. There will be a more detailed technical appendix on funding and financing mechanisms published alongside the draft SIP.

3.11 The final chapter of the draft SIP focuses on delivery and governance. It is clear that the document will require shared ownership. The draft sets out the proposed role that TfSE will play in the implementation of the SIP, as well as the role and responsibility of key delivery partners. It sets out proposed key performance indicators that will be taken forward for further development by the TfSE team and a summary of the delivery plan from the Area Studies, including phasing and timing of the proposed packages and interventions.

3.12 The draft SIP is attached as Appendix 3 and the Partnership Board are recommended to approve the draft for the purposes of consultation.

#### **4. Integrated Sustainability Appraisal**

4.1 A full Integrated Sustainability Appraisal (ISA) was produced alongside the Transport Strategy. This incorporates a statutory strategic environmental assessment (SEA), Equalities Impact Assessment (EqIA) and habitats regulation assessment (HRA), in addition to Health Impact Assessment (HIA) and Community Safety Assessment (CSA).

4.2 As the Transport Strategy did not identify specific interventions, the ISA assessed both sensitivity of potential corridors and different types of transport interventions.

4.3 Interventions were subsequently developed for each of five Area Studies and the ISA sustainability objectives were used to assess short-listed options for each study. In addition, recommendations from the ISA, such as use of local level baseline information were incorporated where practicable, considering the early stage of development for proposed interventions. Each of the five area studies have also been subject to an ISA report.

4.4 For the SIP, the results of the assessments undertaken for the Regional Strategy and Area Studies have been reviewed and summarised. This brings together the results of the ISAs for the Area Studies and reviews these against the conclusions and recommendations in the ISA for the Regional Strategy.

4.5 The summary ISA report for the SIP reflects the composite processes: SEA, HRA, HIA, EqIA and CSA; and includes a summary of the baseline, assessments, mitigation and monitoring.

4.6 Each of the interventions included in the SIP would require a detailed ISA to be undertaken as the scheme or intervention is taken forward.

4.7 The summary ISA report for the SIP is attached as Appendix 4 and it is proposed that the summary ISA will be consulted on at the same time as the draft

SIP, with the final version of the ISA due to be considered by the Board in March 2023.

## **5. Consultation**

5.1 The STB legislation sets out the need to undertake a 12-week public consultation on the transport strategy, with a focus on statutory consultees. This exercise will help to gain wider support for the SIP and ensure that stakeholders, including constituent authorities and delivery partners, have been able to provide formal feedback.

5.2 Once the responses to the consultation have been analysed and any revisions made, the Board will be asked to agree the final draft SIP. Constituent authorities and other Board members will then be given the opportunity to take the final draft version of the SIP through their own governance processes. It is anticipated that this will happen in late 2022/early 2023 depending upon the meeting cycles of each organisation. Following constituent authority approval, the Board will have the opportunity to sign off the final SIP for submission to Government.

5.3 Paper 8 provides more information on the proposed approach to the public consultation.

## **6. Financial considerations**

6.1 A budget allocation of £160,000 was identified for the development of the SIP from the Department for Transport (DfT) grant in 2020/21. There are no proposed changes to this budget.

## **7. Conclusions and Recommendations**

7.1 Members of the Partnership Board are asked to note the progress of the tasks associated with the development of the draft SIP and to approve the draft SIP and summary Integrated Sustainability Appraisal (ISA) for the purposes of public consultation over a three month period commencing on 20 June 2022.

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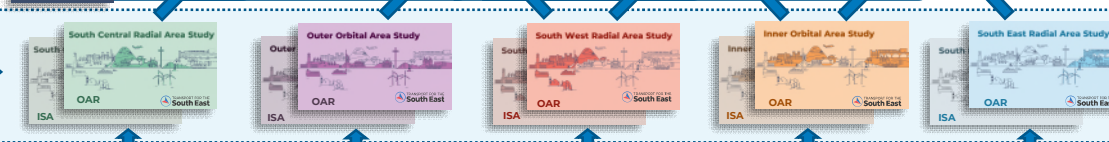
# Area Studies and SIP Outputs



Consultation  
June-Sept 2022



TFSE Future  
Organisation Report  
(Published Dec 2021)



Future Mobility  
Strategy  
(Published  
July 2021)



Area Studies  
programme  
(to be  
published  
alongside SIP  
consultation)



Freight Logistics and  
International Gateways Strategy  
(to be launched May 2022)



Transport Strategy  
(Published July 2020)



Economic Connectivity review  
(Published July 2018)

Key to Area Study document abbreviations  
SPOC – Strategic Programme Outline Case  
OAR – Options Assessment Report  
ISA – Integrated Sustainability Appraisal

# Our SIP aligns with wider policy

