



Strategic Investment Plan

Transport Forum
10 May 2022

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Part 5

Benefits and Costs

Benefits and Costs

Benefits

- Quantified using the South East Economic and Land Use Model (SEELUM) – a strategic land use and transport interaction model – approach used to support Transport Strategy development
- Key metrics are travel demand and vehicle kilometres, population, jobs, GVA and CO₂
- Results can be presented spatially by zone – typically between local planning authority area or MSOA in size

Costs

- Combination of published costs and “bottom up” assessment using unit costs conducted by quantity surveyors and engineers
- Capital costs have also been calculated for construction, as well as maintenance and renewals, but not operations
- For both costs and benefits, scheme delivery has been phased, but costs will typically be presented in a consistent base of 2020 prices

Benefits and Cost

Global Packages

Package	Pop ⁿ	New Jobs	GVA (£m)	Total CO ₂ (KTonnes)	Car Trips (Daily Return)	Rail Trips (Daily Return)	Bus & Mass Transit Trips (Daily Return)	Total Trips (Daily Return)
Micro Mobility and Active Travel	500	200	30	(33,600)	(136,200)	(1,445)	(15,900)	1,400
Public Transport Fares	(32,000)	(300)	490	(191,900)	(313,700)	89,120	301,300	(70,600)
Road User Charging	5,400	(3,900)	(730)	(376,200)	(193,600)	10,565	26,900	(61,200)
Virtual Living	33,300	7,300	930	(748,300)	(873,200)	(89,597)	(71,100)	(1,150,500)
Combined Impacts	(52,500)	(1,600)	720	(1,400,900)	(1,628,700)	61,208	251,700	(1,401,700)

Benefits and Costs

Place-based Packages by sub-region

Package	Pop ⁿ	New jobs	GVA (£m)	Total CO ₂ (KTonnes)	Car Trips (Daily return)	Rail Trips (Daily return)	Bus & Mass Transit (Daily return)	Total Trips (Daily return)	Capital Cost (£m, 2020 prices)
Solent and Sussex Coast	6,300	7,900	1,250	(7,700)	(180,000)	46,700	168,700	32,700	7,400
London – Sussex Coast	8,100	4,400	620	(7,600)	(70,500)	41,300	52,300	37,700	4,000
Wessex Thames	7,100	5,700	1,200	(61,500)	(239,700)	42,000	202,000	47,500	8,100
Kent, Medway and East Sussex	28,400	8,400	750	31,300	350	63,700	75,800	158,100	13,500
Global Package Interventions	(52,500)	(1,600)	720	(1,400,900)	(1,628,700)	61,200	251,700	(1,401,700)	
Combined Impacts (phased)	3,500	21,400	4,130	(1,351,000)	(2,134,600)	276,500	796,000	(1,136,900)	33,100

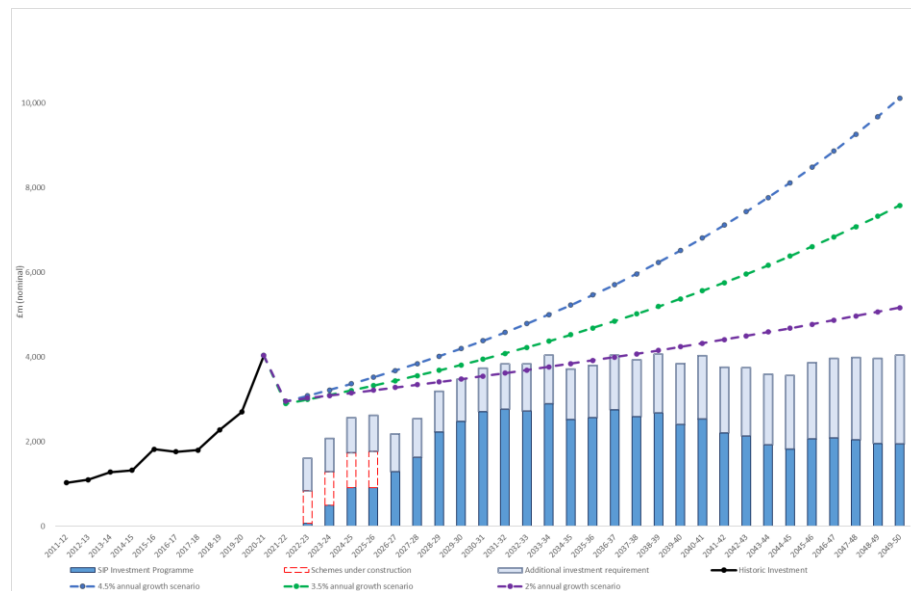
Part 6

Funding and Financing

Funding and Financing

The investment programme in context

- Most strategic connectivity schemes (especially in areas with limited devolution) are paid for through a **centralised funding regime**
 - this suggests that many of the programmes within the SIP will continue to be funded, at least in part, from central sources
 - especially given the very strong case of investment in our region
- Broadly speaking, transport spending in the South East has been equivalent to its share of both national **population** and its **GVA contribution**.
- Assuming a level of future government spending that is broadly consistent with historical growth suggests that much of the overall programme **could theoretically be supported** within the illustrative envelope of potential future central funding ... and that the investment 'ask' does not seem unreasonable.



Note: An assumption has been made for the quantum of complementary investment in local and other transport that will be required to meet our overall objectives, beyond the schemes identified in the SIP.

Funding and Financing

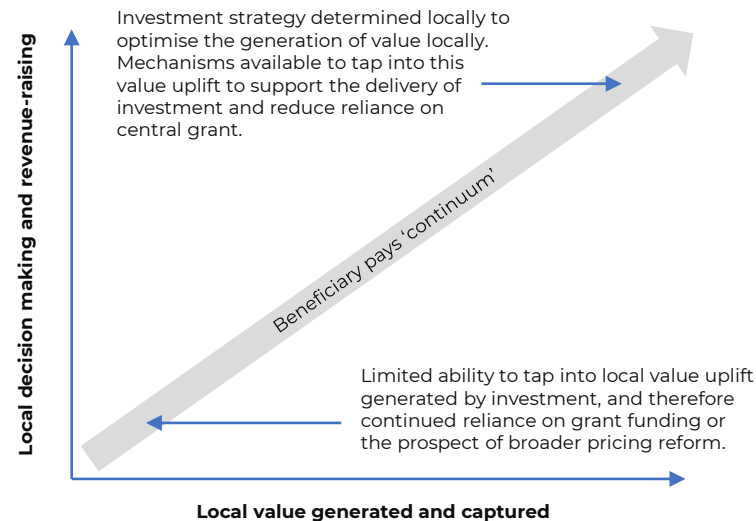
Towards a beneficiary led approach

- The SIP **reflects the changed world in which we live and work**
 - schemes seek not only to address transport connectivity and capacity issues
 - but to promote and maintain economic development, increase the supply of homes, support the transition to net zero, and improve quality of life and social inclusion – “levelling up”
- The **Exchequer will benefit** from the broader fiscal impacts – which is one of the reasons why it will remain wholly appropriate for taxpayer funding to support the SIP
- More broadly, however, the programme will bring significant tangible benefits for **a wider range of beneficiaries** across the South East, London and beyond
 - strong case for seeking a **fair and proportionate contribution** from full spectrum of beneficiary groups
- **New approaches** may be appropriate for certain types of scheme within the SIP
 - e.g. where the impact on local land values can be identified, quantified and monetised
 - however, often require either **broader (e.g. nation-wide) reform**, or a degree of **devolution of funding powers** beyond that which the South East currently enjoys
 - evidence suggests that even where the required powers are made available locally, the challenge of securing **political and community acceptance** for any new revenue-raising tools remains
- We will need to work hard with local and national stakeholders if new approaches are going to be able to make a meaningful contribution (especially in the short-term) to the SIP

Funding and Financing

The 'funding journey'

- While our working hypothesis is that established and conventional funding solutions will be the most common avenue for paying for SIP (at least in the earlier phases of the programme), **this does not always have to be the case**
- The reliance on conventional sources is driven **not by lack of ambition**, but by the fact that neither TfSE, nor the local authorities and transport authorities we speak for, **have many alternative options available**
- TfSE's SIP, which has its heart broad socio-economic and environmental objectives, in addition to improving access and connectivity, can be considered relatively **far down the continuum**, with progress potentially slow and therefore possibly dependent on broader transport pricing reforms
- **The programme will generate significant local value uplift, however the means of leveraging it are scarce**
- **Devolution is a highly complex matter**, but the fact of the matter is that places such as London and Greater Manchester which have **greater freedom to raise revenue locally** are in a position to **deliver more** ambitious programmes of transport investments, and to **drive their own strategic direction** in terms of how and where the funds are spent



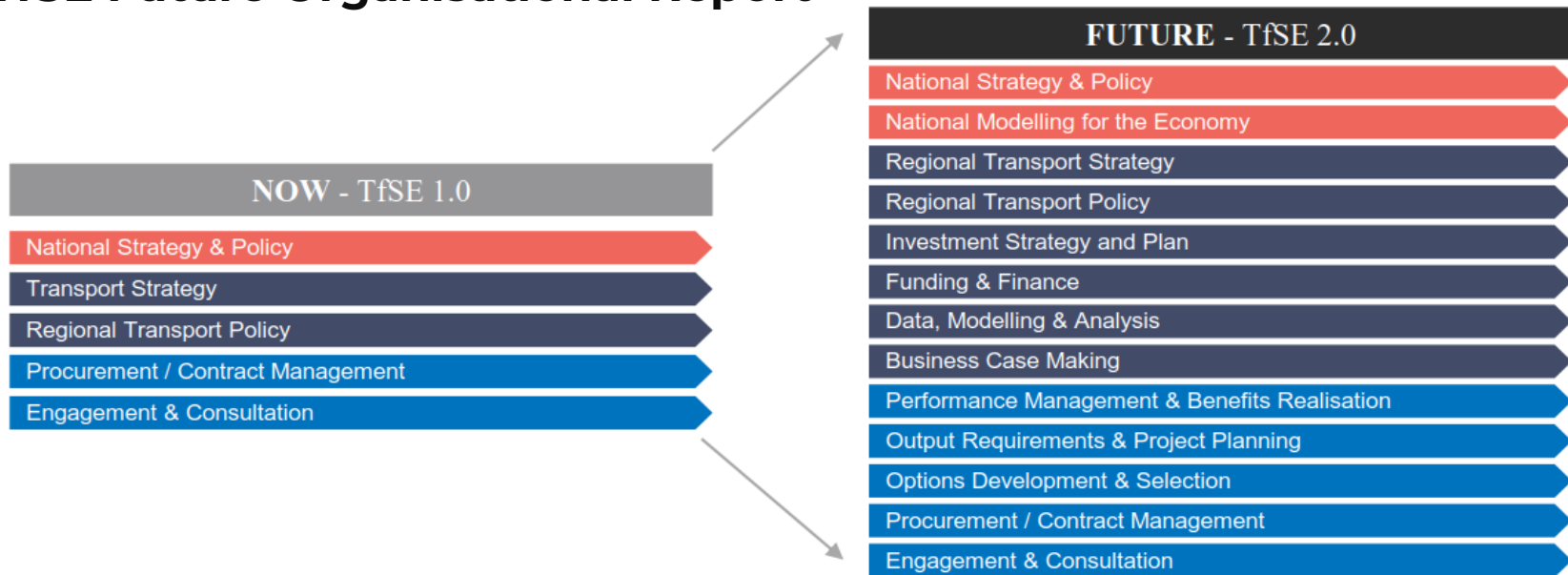
- The challenges of moving up that continuum are complex, but TfSE would welcome **a dialogue with Government** around options for the future, because the potential prize is **reduced reliance on centrally-derived funding**, which we suspect is desirable for all

Part 7

Delivery (Governance)

Governance

TfSE Future Organisational Report



Governance

Translation into the Strategic Investment Plan

1. Further strategy and investment plan development
2. Programme management including scheme prioritisation, government and stakeholder engagement, and monitoring and evaluation
3. Joint scheme promotion
4. Pre-feasibility work and funding for relevant scheme promoters, likely delivery partners, and other key stakeholders
5. Onward business case and scheme development and support, including use of and providing access to TfSE's emerging analytical framework
6. Advocacy and securing funding
7. Procurement and sourcing supply chains for development / planning and construction / operations staff resource and resource funding to support the above as well as build capacity and capability within scheme promoters' own organisations

Governance

Discussion

- Are we articulating the future roles of TfSE correctly?