

**Enterprise M3 Board Meeting**

**4 August 2022**

**Transport for the South East - Strategic Investment Plan - Item 9**

Enterprise M3 Board are asked to:

**NOTE:** the production of the Transport for South East Strategic Investment Plan and the intention to submit a response consultation in September.

**1. Background**

- 1.1 The Board has received regular updates on the work of Transport for the South East (TfSE), in promoting the case for investment in strategic transport infrastructure across the South-East. In addition, LEP Board Member, Daniel Ruiz has recently been reappointed to sit on the TfSE Partnership Board, as one of two LEP representatives.
- 1.2 This report provides an update on the development of the Strategic Investment Plan (SIP) and seek the Board views on what issues the LEP should focus on in its response to the current consultation on the Plan.
- 1.3 To support this report and increase the Board's understanding of the SIP, there will be a short presentation by TfSE and an opportunity for Board members to ask questions. This will help inform the LEPs response to the consultation.

**2. Context**

- 2.1 TfSE was established in shadow form in June 2017, in order to develop an ambitious Transport Strategy for the South East region, it brings together 16 Local Transport Authorities, five Local Enterprise Partnerships, and other key stakeholders, including: environmental groups, transport operators, district and borough authorities, and national agencies.
- 2.2 TfSE seeks to support the growth of the South East's economy, ensuring the delivery of high quality sustainable and integrated transport systems. In brief, this
  - Supports increased productivity to grow the South East and UK economy and compete in the global marketplace;
  - Helps to improve safety, quality of life, and access to opportunities for all; and
  - Protects and enhances the South East's unique natural and historic environment.
- 2.3 In June 2020 TfSE published their 30-year Transport Strategy, which outlines a bold vision that:

“By 2050, the South East of England will be a leading global region for net-zero carbon, sustainable economic growth where integrated transport, digital and energy networks have delivered a step change in connectivity and environmental quality.

“A high-quality, reliable, safe and accessible transport network will offer seamless door-to-door journeys enabling our businesses to compete and trade more effectively in the global marketplace and giving our residents and visitors the highest quality of life.”

- 2.4 The Transport Strategy is built upon three strategic goals underpinning this vision:
- Economic - Improve productivity to grow our economy and better compete in the global marketplace.
  - Environmental - Protect and enhance the South East's unique natural and historic environment.
  - Social – Improve health, wellbeing, safety, and quality to life for everyone.

### **3. Strategic Investment Plan (SIP)**

- 3.1 The TfSE SIP looks to make a compelling case for investment in the South East. It is supported by a significant body of evidence taken from a series of area studies and thematic studies, that have been carried out since the publication of the initial Transport Strategy to become the blueprint for investment in the south east for the next 30 years.
- 3.2 The SIP is 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 as well as the LEP Recovery and Renewal Plans and Evidence Base developed to support Local Industrial Strategies.
- 3.3 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. 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.
- 3.4 The SIP sets out an ask for capital costs investment of £45 billion 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.
- 3.5 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.

### **4. Enterprise M3 LEP response to the SIP**

- 4.1 When TfSE consulted on the initial transport strategy in January 2020, Enterprise M3 LEP responded supporting the ambition of the overall vision and highlighting that it was important that:
- The strategy was predicated on the most up to date economic data available and in particular that there are strong and clear linkages between the TfSE Strategy and economic evidence developed by each of the 5 LEPs in the TfSE Area.

- The opportunity was taken to strongly differentiate the South East and this transport strategy relative to other area transport strategies by seizing, leading and being bold on innovation and the future changes in mobility.
  - It fully recognised the climate emergency and embraced clean growth and with it the overwhelming need to invest in sustainable and clean transport solutions for our future
- 4.2 Each of these points are going to remain relevant and as a key partner the LEP has been closely involved in the development of the SIP. It therefore contains no particular surprises and hence the overall direction and vision is something we should be able to support as it aligns well to the LEPs own priorities as set out in the Revive and Renewal Plan.
- 4.3 We are still reviewing the draft SIP and considering the detail of our response, particularly in relation to proposed interventions in our area. Potential investments with the Enterprise M3 LEP area, include:
- Woking rail flyover
  - Western and southern rail access to Heathrow
  - Improved connectivity between the M4 and M3
  - A34 Junction and Safety Enhancements
  - Reading to Basingstoke electrification
  - North Downs Line Service and Capacity Enhancements
  - Mass transit for Basingstoke and Blackwater Valley
  - Guildford Station Upgrade
  - South West Main Line Service Enhancement
  - Basingstoke Rail capacity enhancement
  - M3 Junction 9
  - A3 Guildford – short and long term solutions
  - A31 Farnham
  - A320 Corridor Woking to M25
- 4.4 In addition, there are a range of global policy packages that can make the best use of existing assets, focussed on decarbonisation, public transport fares, new mobility, road user charging virtual access and integration.
- 4.5 The SIP rightly highlights that transport is a catalyst for economic growth and that a long-term multimodal plan is needed for the future. It also focusses on sustainable solutions and there is a general acceptance that business as usual is not an option, nor will it get us where we want to be. Whilst there is a strong push for national interventions, equally it identifies that meaningful change must come at a local level. The credibility of the plan is going to need to be underpinned by a pragmatic consideration of how it will be paid for. £45bn is a significant sum, albeit over 30-years. Traditionally most strategic transport schemes are paid for through a centralised funding regime and the level of funding being sought is broadly consistent with historical trends. Conventional funding solutions are likely to be the most common avenue for paying for SIP, but there is also potential to move to a model where the beneficiary pays. In such a scenario, priorities would be determined and funded locally with a mechanism to tap into value uplift generated by investment.
- 4.6 It is pleasing to see a section of the SIP specifically addressing these potential funding options and it is here that the LEP should be able to play a leading role in ensuring private sector investment opportunities are fully explored. Another key issue we will need to consider is how the interventions in the SIP are prioritised and that there is a clear plan of action towards delivery.

- 4.7 The consultation runs until 12th September. It is hoped that the exercise will help TfSE gain wider support for the SIP and ensure that partners, such as the LEP, have the opportunity to provide formal feedback. Once the responses to the consultation have been analysed and any revisions made, TfSE will agree the final draft SIP and we will also be given the opportunity to bring the final draft version of the SIP pack to the Board for LEP approval. It is anticipated that this will happen in late 2022/early 2023, with sign off the final SIP by the TfSE Board in Spring 2023 ready for submission to Government.

**Kevin Travers**  
**Head of Infrastructure, Transport & Place**  
**18<sup>th</sup> July 2022**