

# which direction? planning for transport in the south east



**THE SOUTH EAST'S transport system is a network of arteries through which the lifeblood of a world class economy flows: an economy that is at the heart of the UK's ability to compete in the global market.**



Cllr David Robertson, Chairman,  
South East Transport Board

Our role as the gateway for the UK to the rest of the world means that keeping these arteries flowing is also critical to the rest of the UK realising its economic ambitions.

The UK cannot take the success of the South East for granted; maintaining our competitiveness on the world stage requires continual investment in our transport system if it is to meet the demands placed upon it.

Whilst the pressure on public finance means that there will be tough choices ahead of us in the coming months, the importance of investing in the South East needs to be at the forefront of decision making.

Cutting the investment made in our transport system will have direct and measurable impacts not just for the South East but the rest of the UK.

Local authorities in the South East have been at the forefront of collective working when it comes to identifying strategic investment priorities. We have a tried and tested approach: one that is built from the bottom up; one that is based on the involvement of local authorities from across the South East.

We recognise the need to make difficult decisions when it comes to identifying investment priorities. We've done it before, and we continue to step up to the challenge that comes with the devolution of decision making from Whitehall.

This report uses the work that has taken place over the last year through the previous administration's 'Delivering a Sustainable Transport System' initiative to provide an overview of the challenges facing our transport system. It also sets out where there is a need to make further investment in the skills we have to develop innovative and cost effective solutions.

Reform to the planning system is a key part of the coalition Government's agenda – and in particular the removal of centrally-imposed housing targets – may have implications for some of our investment priorities in the medium/longer term. And we will want to draw upon work led by local authorities over the coming months to understand in greater detail what those will be.

However, the fundamental challenges facing our transport system remain; as does the critical importance of continuing to invest in it. We have a programme of investment priorities agreed with Government and local authorities are committed to delivering this programme at the earliest opportunity.

We look to Government to join us in a shared endeavour to ensure that we support economic growth in the South East by continuing to commit public funds to deliver our investment priorities – for the benefit of the UK's leading economy, for the benefit of the UK full stop.

**Cllr David Robertson  
Chairman, South East Transport Board**

**“Maintaining our competitiveness on the world stage requires continual investment in our transport system.”**

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# Executive Summary

**THE SOUTH EAST ECONOMY is the UK economy's 'engine room': the UK's overall competitiveness is inextricably linked with the South East's continued success.**

And yet the success of the South East economy should not, and cannot, be taken for granted: we must continue to invest in the South East in order to remain competitive with other global regions that are the UK's competitors.

Our transport system is a critical part of the infrastructure that supports economic activity in the South East. It also provides access that is critical to other parts of the UK being able to realise their own economic ambitions.

The influence of London on the operation and development of our transport system is significant and there is a need for more effective engagement between London and the South East. However, we must not lose sight of the fact that the South East's economy is substantial in its own right: our economic potential must not be constrained by London's ambitions.

Future investment in infrastructure must address both the challenges of economic growth and the need to reduce our ecological footprint. Our investment choices for transport must be aligned with investment decisions made in economic development, housing, regeneration and skills.

The strategic spatial priorities across the South East are clearly defined. Local authorities in the South East have an established track record of working together on a collective basis to use them as the basis for agreeing investment priorities.

We have a programme of strategic investment that has been developed and agreed by local authorities through the South East Transport Board. We remain committed to delivering this programme at the earliest possible opportunity.

Prioritisation of investment is even more important in a world of constrained public funding. As local authorities, we recognise the need to review our investment priorities for the medium/longer term and we stand ready to undertake that difficult task as part of the Spending Review 2010.

However, any review of investment priorities must look across the whole of the transport budget. We must ensure that the investment decisions for the national road and rail networks are fully aligned with decisions made at the sub-national and local level.

We need to use the building blocks available at the sub-national level as the way to ensure that Government's programmes are better aligned with the delivery of clear outcomes at the local level.

We also need to use our understanding of economic opportunities to act as the driver for investment in infrastructure that supports sustainable economic growth. We need to make sure that our transport plans and local development plans are properly aligned to ensure these economic opportunities are realised. The previous administration, through 'Delivering a Sustainable Transport System' (DaSTS), initiated a programme of work specifically designed to help local authorities achieve this objective.

The initial reports from the studies commissioned for the DaSTS initiative have now been submitted to the Department for Transport. This report draws on this work, led by local authorities, to present an overview of the transport priorities for the South East.

In so doing, it highlights where their work to date demonstrates a need for further investment by the Department to help local authorities develop the pipeline of proposals that is critical to maintaining the South East's position against its global economic competitors.

The key elements of this programme of work are:

- Subject to confirmation by the outcome of the M25 South West Quadrant study, funding needs to be made available to take forward work that will develop detailed proposals for improving access to Heathrow Airport by public transport as part of a wider strategy designed to address pressure on the transport system in the M25 corridor.
- Detailed proposals to make more effective use of the existing highway capacity linking London and Dover/Channel Tunnel need to be prepared through partnership working.

## Executive Summary



- Funding should be made available to enable Dover District Council and its partners develop a detailed implementation strategy that enables access to the Port of Dover to be improved and to help realise local growth ambitions.
- The Department for Transport should commission further work in partnership with local authorities to bring forward a firm proposal for a 'lower Thames crossing'.
- A commitment needs to be made through the High Level Output Specification for the Control Period commencing in 2014/15 that capacity issues at Oxford Station will be addressed and that the Western Section of East West Rail will be implemented.
- A commitment needs to be made by the Government to deliver the comprehensive strategy for the Great Western route.
- Funding should be made available to the unitary authorities in Berkshire in order to increase their joint capacity and capability to develop detailed proposals that support the Thames Valley economy.
- Funding should be made available to Oxfordshire County Council in order to increase its capacity and capability to develop detailed proposals that will enable the potential for Science Vale to be realised.
- Funding should be made available to the Partnership for Urban South Hampshire to support the development of detailed proposals to enable their implementation at the earliest opportunity.
- Funding should be made available to West Sussex County Council and Brighton and Hove Council to develop a detailed implementation strategy that will enable the regeneration potential of the coastal area to be realised.
- Funding should be made available, via the MKSM Executive, to develop detailed proposals for implementing the inter-urban bus/coach network.



Energy

# South East England: The UK Economy's 'Engine Room'

- 1.1 The South East is the powerhouse of the UK economy:
- It is home to 8.38 million people: over 15% of the population of England and Wales.
  - It is the location for around 750,000 businesses and 16 universities.
  - It contributes 15% of the total UK Gross Domestic Product; a total of £188bn.
  - It exports £40 billion of goods and services and has seen a 15% increase in exports: the largest of any part of the UK.
  - It is the gateway for much of the UK to continental Europe and world markets.
- 1.2 The UK's overall competitiveness is inextricably linked with the South East's continued success. But the success of the South East economy should not and cannot be taken for granted. Failure on the part of the public sector to support the ability of the South East to rise to the challenge of global competition will have dire consequences for the prospects of the UK economy as a whole.
- 1.3 And it is the South East's performance against international competitors that should be the key measure. Investment decisions are driven not by a comparison between the South East and other parts of the UK, but rather with competitor regions in continental Europe, North America, the Indian sub-continent and the Far East.
- 1.4 The evidence base is clear; the strategic economic challenges facing the South East are:
- **Improving global competitiveness** – making sure that we continue to invest in success in the face of intensifying international competition.
  - **Achieving smart growth** – investing in measures that address underperformance so we can increase economic activity, increase the skills base and improve connectivity.
  - **Sustainable prosperity** – using the need to reduce our ecological footprint as a catalyst for investment in new technologies that provide a competitive advantage.
- 1.5 The South East is at the heart of the UK economy; its inherent strength means that it will lead the economy out of recession faster and stronger than any other part of the UK.
- 1.6 Working in partnership, local authorities and businesses across the South East have agreed that the focus needs to be on driving Gross Value Added (GVA) growth through increased productivity while reducing our environmental impact. In this way, we will regain some of the ground lost in international competitiveness as the UK's leading global region.
- ### Reducing our ecological footprint
- 1.7 The South East's ecological footprint is the highest of all the regions in the UK. If everyone in the world lived our lifestyle we would need three and a half planets to support us.
- 1.8 Our transport system is a critical part of the infrastructure that supports economic activity in the South East. It also provides access that is critical to enabling other parts of the UK realise their own economic ambitions. And yet our transport system also has a major impact on the quality of our environment.
- 1.9 Our route map for reducing the South East's ecological footprint – produced in partnership with WWF – emphasises the importance of public sector investment in helping to first stabilise and then reduce our ecological footprint. It also serves to emphasise that a 'business as usual' approach to future transport investment is not sustainable.
- 1.10 It is clear that future investments must address both the challenges of economic growth and make a significant contribution to reducing our ecological footprint.
- 1.11 Increased importance is being given to ensuring our investment decisions achieve multiple outcomes: seeking to reduce the ecological footprint will require greater investment in smarter choices; such measures invariably bring equality of opportunity to society as a whole while

at the same time supporting the need for healthier lifestyles overall.

### Our gateway role

- 1.12 The South East is the gateway to the rest of the UK. Our transport infrastructure is of national and international significance. Heathrow and Gatwick Airports, together with the Channel Tunnel and the major south coast ports of Dover, Southampton and Portsmouth mean the South East is the country's natural access point to mainland Europe and the rest of the world.
- 1.13 Good connectivity with global markets through our international gateways is a major contributor to the economic performance of the UK as a whole. As a consequence there is an ongoing need for additional investment in our transport system over and above that which is required to meet the South East's own requirements.

### The influence of London

- 1.14 London has a significant influence on the operation and development of the South East's transport system; one that requires a strong and effective collective voice from the South East's local authorities in order to influence decision making within London.
- 1.15 The rail network in particular is heavily influenced by the need to plan services around the capacity at the London termini. The planning and operation of longer-distance services (those that extend beyond the London boundary) are of interest to both London and the South East. It is therefore important for South East authorities to ensure that future rail franchise specifications achieve an appropriate balance between London's aspirations and our own. It is essential that opportunities for rail services to play an expanded role in support of sustainable economic growth at the local level are not precluded by London's ambitions.
- 1.16 Greater recognition is also required by London of the importance of working with South East local authorities in managing the operation of the highway network, including its use by bus services. There is a strong dynamic between local authorities in the South East and the outer London boroughs. It is important that this leads

to stronger and more effective engagement by London with the South East.

- 1.17 The South East Transport Board has always placed a high priority on ensuring that the collective views of local authorities are fed into policy development and decision making within London. With greater influence being sought by the Mayor of London, particularly with the specification and operation of suburban rail services, the importance of the Transport Board's leadership on behalf of the South East also grows.

### The challenges facing our transport system

- 1.18 The challenges facing the South East's transport system are considerable; not just because of the success of its economy, but also as a consequence of its location as the UK's gateway.
- 1.19 Transport is a key piece of infrastructure that unlocks the potential of housing and economic growth in the South East. We know that the key challenges facing our transport system are:
- The need to provide consistently good access between the United Kingdom and the rest of the World through our gateway ports and airports
  - The need to maintain high quality links to London while at the same time developing orbital routes (particularly for public transport) around London
  - The need to deliver transport measures that address severe deprivation
  - The need to address unreliable journey times in economically successful parts of the South East
  - The need to reduce the impact of our transport system on the environment.
- 1.20 Economic success will serve to reinforce the need to address these challenges. In so doing, we must remember that while transport remains a key factor in supporting economic growth, the decisions we make in other key policy areas will have a significant influence on the demand for, and nature of, travel in the future.
- 1.21 The South East is also an area of contrasts. While the overall impression is one of success, some coastal areas suffer structural unemployment

issues that are as severe as those of parts of the North and on a larger scale.

- 1.22 The South East remains an attractive location in which businesses want to locate. However, if the South East economy is to continue to be the UK economy's 'engine room' we must 'break the mould' in terms of our approach to infrastructure investment.

### KEY MESSAGES

- The South East economy is the UK economy's 'engine room'.
- The success of the South East economy should not, and cannot be taken for granted: we must continue to invest in the South East in order to remain competitive with the other global regions that are the UK's competitors.
- Our transport system is a critical part of the infrastructure that supports economic activity in the South East; it provides access that is critical to other parts of the UK realising their economic ambitions.
- Future investment in infrastructure must address both the challenges of economic growth and the need to reduce our ecological footprint.
- Our investment choices for transport must be taken alongside decisions made in other key policy areas - economic development, housing, regeneration, skills.
- The influence of London on the operation and development of the South East's transport system is significant; there is a need for more effective engagement between London and the South East.





spatial priorities

- 2.1 The economic geography of the South East can be defined as:
- **Inner South East:** characterised by high productivity, high economic activity, high enterprise and high skills but with significant pockets of deprivation. Good levels of infrastructure but under pressure from high levels of congestion. Strong linkages with the London economy.
  - **Rural South East:** more than 80% of the South East by area with 25% of the population. Characterised by high economic activity, highly skilled commuter workforce, high business density and start-ups. Dispersed rural deprivation, an aging population and variable infrastructure.
  - **Coastal South East:** characterised by low productivity, low economic activity, high 'structural' unemployment, low skills, ageing population and poor infrastructure. Similar in size to the North East of England, just as dependent upon public sector employment, but performing less well.
  - **Growth Areas:** cutting across the main economic contours, these areas have seen investment in infrastructure, skills and innovation, business support, and environmental/cultural amenities.
- 2.2 While this geography provides the starting point for policy making and decision making on investment priorities, it is important to appreciate the complexity and inter-relationships that exist across the South East.
- 2.3 The South East has a 'polycentric' structure with a patchwork of inter-connected cities and towns. While transport and economic activity is heavily influenced by London, commuting patterns and business relationships in the South East are more complex, with major settlements becoming more economically self-contained but also more dependent on one another for labour and knowledge capital.
- 2.4 It was the need to respond to this challenge that led to the identification of a network of cities and towns to which the higher-order employment, leisure, retail and cultural activities will gravitate. These 'hubs' are the locations where the various components of growth need to be focussed and co-ordinated in order to deliver sustainable economic growth.
- 2.5 In particular there are eight major concentration of economic growth potential – or 'Diamonds for Investment and Growth' – which:
- Extend beyond the boundaries of an individual local authority
  - Are centred on an urban core or comprise networks of urban areas
  - Play a leading role in the economic vitality of their broader sub-region.
- 2.6 The eight Diamonds account for over 50% of the South East's population and a similar proportion of its GVA. They are (in alphabetical order): Basingstoke; Brighton and Hove; Gatwick Diamond; Milton Keynes and Aylesbury Vale; Oxford/Central Oxfordshire; Reading; Thames Gateway (including Medway and Ebbsfleet); Urban South Hampshire (including Portsmouth and Southampton).
- 2.7 The Diamonds increasingly provide the focus for investment and in particular present the opportunity to improve the alignment of investment across a number of policy areas to implement commonly agreed objectives.
- 2.8 In addition, priority continues to be given to support ongoing regeneration projects in Ashford, Bexhill/Hastings, Dover and Margate. This reflects the need for an extended period of commitment from the public sector in order to effect successful long-term economic regeneration.

**KEY MESSAGE:** The South East has a set of clearly defined spatial priorities that can be used as the basis for targeting public sector investment.

# transport board



## Collective working in action

- 3.1 Local authorities in the South East have been at the forefront of seeking greater influence over decision making that would otherwise take place within Whitehall.
- 3.2 Responding to the criticism that the original South East Transport Strategy comprised mainly a 'wish-list' of schemes, local authorities set out their collective ambition to provide advice to the Government on investment priorities. Three things needed to be put in place in order to realise this ambition:
- Government needed to provide clarity on the likely level of funding available to invest in projects in the South East.
  - A member-led forum needed to be established that would enable effective decision making to take place in a transparent and accountable way.
  - A means of assessing the relative priorities of proposed schemes on a consistent basis needed to be developed; one that provided advice to the member-led forum in such a way that enabled the forum to exercise effective political judgement.
- 3.3 The Government of the day provided the first of these through the Regional Funding Advice mechanism.
- 3.4 The establishment of the South East Transport Board provided the second: a partnership between senior politicians from the local authorities, representatives from the regional development agency, Government Office for the South East, the Highways Agency, Network Rail, the Confederation of Passenger Transport, the business community and the environmental sector.
- 3.5 The third was provided by a ground-breaking prioritisation methodology developed specifically by the South East. The methodology uses information supplied by scheme promoters relating to policy compatibility, value for money and deliverability. It provides the Transport Board

with the information required to enable it to take an informed view of the relative priority of proposed schemes.

## Five years of success

- 3.6 As a member-led decision-making forum the Transport Board quickly established its credibility with the Government and among local authorities in the South East.
- 3.7 Through the work of the Transport Board:
- There is clarity for local transport authorities as to where the decisions on investment priorities are taken; the portfolio holders for each Local Transport Authority have the right to address the Transport Board thereby helping to ensure its work is transparent and robust.
  - The local authorities' collective advice on investment priorities has been accepted in full every time by Government – the only region where this has been the case.
  - The agreed programme of investment priorities provides clarity on the pipeline of schemes that need to be developed; this enables local transport authorities to plan the work required to develop a scheme with greater confidence that the costs incurred will not be abortive.
  - The rigour of having a credible programme of investment priorities has enabled the South East to bring forward schemes in response to funding opportunities at a national level.
  - The adoption of a transparent, evidence based approach to decision making has enabled the Transport Board to argue for, and secure, greater flexibility in the use of transport funds, specifically:
    - + the establishment of the Regional Infrastructure Fund, an innovative approach to investment whereby the public sector forward funds the cost of enabling infrastructure, with that cost being subsequently recovered by the public sector through the planning system;

- + it has encouraged the Department for Transport to allow funding for 'smaller' schemes to be transferred from the 'major schemes' pot into the LTP block; an arrangement that reduces the time and cost of delivering a scheme on the ground.
- 3.8 The Board has challenged assertions and perceived wisdoms, in the process establishing a reputation for being up to the task of taking difficult decisions on strategic investment priorities.
- 3.9 The work of the Board has been greatly enhanced by the emergence of sub-regional working groups across the South East. Transport for South Hampshire, The Berkshire Strategic Transport Forum and the Milton Keynes South Midlands Strategic Transport Board are all examples of where the need to work across boundaries has been seized by local authorities.
- 3.10 The key to this success has been the transparency of the Transport Board's work. In particular the consequences of underperformance in delivering an investment priority are clearer, not just for the promoting authority but also others whose own investment may be impacted upon.
- 3.11 Monitoring of performance by local authorities, working collectively as a peer group, has thus led to the creation of a culture of accountability that ultimately benefits the collective.
- 3.12 Local authorities are absolutely clear that returning decision making to Whitehall – as was the case prior to the creation of the Transport Board – is inconsistent with the coalition Government's commitment to 'localism'. Equally the authorities acknowledge that investment decisions on transport have implications that extend beyond immediate boundaries, therefore requiring collective working on their part.
- 3.13 The true measure of success is therefore the fact that local transport authorities in the South East wish to see the Transport Board retained in some form; in doing so, building upon and developing the sub-regional partnerships.
- 3.14 In seeking to build upon its success to date, local authorities want to ensure that the Transport Board:
- continues to be member-led, and set up in such a way that enables all local transport authorities to play a leading role;
  - continues to involve representatives from the key agencies – specifically the Highways Agency, Network Rail and the Confederation of Passenger Transport;
  - continues to ensure that representatives from the business and environmental sectors contribute to its work;
  - continues to be seen by the Department for Transport as *the* forum for providing advice on investment priorities in the South East;
  - explores with the Department for Transport the opportunity to secure greater devolution of decision making from Whitehall to local authorities working on a collective basis.
- Technical support**
- 3.15 The Transport Board has been supported by a dedicated secretariat that is independent of any one local authority. This has had three functions:
- It has acted as an expert resource to local transport authorities in the South East, providing advice and guidance on scheme development and enabling good practice to be shared more widely across the South East.
  - It has provided leadership in bringing together funding partnerships across a range of agencies that have enabled investment priorities to be delivered on the ground sooner than might otherwise have been the case.
  - It has acted as conduit for engagement with the Department for Transport. In particular, by providing oversight on scheme appraisals, it has enabled the Department for Transport to accept a 'lighter touch' in terms of the level of information required. This brings direct savings to the local authority promoting a scheme while retaining an appropriate level of accountability (via the Transport Board) for public money. More importantly, it enables investment to be delivered on the ground sooner.
- 3.16 South East England Councils are developing their own proposals to provide technical support into the future. These will build upon the South East's experience to date.

### KEY MESSAGES:

- The South East has an established track record of working on a collective basis to agree the investment priorities.
- Local Authorities wish to build upon the success of the Transport Board by working together on a collective basis; they do not want to see decision making returning to Whitehall.
- South East England Councils are developing their proposal for the future, building upon their experience with the work of the Transport Board; they wish to use this as the basis for further discussion with the Department for Transport.



# priority station



## The need for prioritisation

- 4.1 It is accepted that there will always be a need to prioritise, in so doing it is important to:
- Accept that local authorities, working collectively and in partnership with national delivery agencies, are best placed to determine the investment priorities.
  - Ensure that investment priorities are determined having looked across all funding streams for transport and having considered the implications of investment made in other policy areas.
  - Provide flexibility in any prioritisation process, so that decisions on the detailed allocation of funds are undertaken at the most appropriate level.
- 4.2 By providing leadership on prioritisation the Transport Board has:
- provided certainty for scheme promoters;
  - emphasised the need for greater clarity of the outcomes and/or outputs delivered by specific proposals;
  - injected greater realism into the decision making process through transparency on what is affordable with the funds available.

## Adding value through prioritisation

- 4.3 The work of the Transport Board has brought a rigour to the decision making process that previously did not exist. Its success can be measured in a number of ways: examples of its added value include:
- **A3 Hindhead** – the last remaining bottleneck on the A3 corridor, the strategic significance of the scheme was an early priority for the Transport Board. This support allowed a start to be made in building the scheme after decades of debate and indecision.
  - **Bexhill-Hastings link road** – a critical component of the five-point plan agreed with Government as being essential to regenerate this part of the East Sussex coast, the

Transport Board's support for the scheme illustrates the importance of decisions on transport being aligned with investments made in other policy areas. Critical to delivering the growth aspirations set out in the Local Development Framework, the Board's support has enabled progress to be made through the statutory processes.

- **Gatwick Airport station** – a bottleneck on the Brighton Main Line, the decision of the Transport Board to allocate funds to support an improvement to the station shows its ability to react quickly to opportunities to support proposals that are of strategic importance. The Transport Board is particularly well placed to provide the forum that enables widespread support from across a wide area to be gathered and fed effectively into Whitehall.
- **The rail industry** – the ability of the Transport Board to influence decision making across the rail industry has been an important factor in joining up investment across transport modes. The Transport Board provided leadership in highlighting fundamental flaws in the growth assumptions for the Greater Western franchise; flaws that if left unchecked would have resulted in inadequate services being specified. The Board has also championed the need to review the appraisal system used for the Route Utilisation Strategies due to the fact that insufficient account is given to the wider linkages with economic, social and environmental benefits of rail investment.
- **Inter-urban bus and coach services** – the Transport Board has championed proposals brought forward by groups of local authorities to develop inter-urban bus and coach services.

4.4 In addition the Transport Board has developed, and successfully promoted, the development of the Regional Infrastructure Fund as a new delivery mechanism.

4.5 The Regional Infrastructure Fund uses a proportion of the available transport funding to invest in schemes that unlock planned

development. This investment by the fund enables the scheme to go-ahead with that investment recovered at a later stage through the planning system. The Fund's initial projects – two schemes supporting growth in Ashford – are already underway.

- 4.6 In a world in which public sector funds will continue to be under intense pressure, the ability to use the funding that is available to lever in additional funds from the private sector will be increasingly attractive.

### Shaping the longer-term view

- 4.7 Investment in the transport system requires a longer-term perspective, whether this is because of the timescale associated with the development of a major scheme or because investing in measures designed to change travel behaviour require a longer-term commitment in order to give individuals the comfort to make better informed choices.

- 4.8 The economic geography of the South East remains a solid basis on which to identify investment priorities. It forms the foundation for the Transport Board's work to date; it also formed the foundation for the programme of work commissioned under the previous administration's 'Delivery a Sustainable Transport System' initiative.

- 4.9 A significant proportion of the South East's transport system also forms a key part of national networks. This in part reflects the South East's role as the gateway for the rest of the UK. It also reflects the significance of the South East to the UK economy.

- 4.10 Investment decisions taken in respect of the national networks are therefore doubly significant for the South East. By their very nature these networks are not confined to any one local authority area making it all the more critical for a strong collective voice.

- 4.11 As we seek to ensure our transport system supports sustainable economic growth, while reducing its environmental impact, the emphasis currently given to ensuring national networks support 'longer-distance' movements will need to be challenged.

### 'Legacy schemes'

- 4.12 A key challenge that has to be faced, and one on which the Transport Board has provided leadership, is the need to tackle the issue of 'legacy schemes'.
- 4.13 A lack of transparency in decision making prior to the Transport Board resulted in schemes being promoted in the absence of any financial framework. As a consequence local expectations were for too long out of step with what was affordable. In some instances opportunities to tackle issues incrementally or with smaller scale 'tactical' investments have been lost, leading to a sense of frustration.
- 4.14 In looking forward, it is critical that the limited funding available is invested in serving the future as opposed to trying to solve past problems. This will require difficult decisions to be made in some instances. However, with the passage of time and changes in the nature of the challenges facing society as a whole, so it becomes even more important to ensure that the schemes prioritised are the most appropriate ones.

### Simplifying funding streams and appraisal

- 4.15 A robust and transparent approach to prioritisation enables efficient and effective allocation of the funding available to deliver agreed outcomes and/or outputs.
- 4.16 In such an environment the need for discrete or bespoke funding streams is reduced. Empowerment through collective working must therefore be accompanied by a reduction in the number of funding streams. Such a reduction brings the added benefit of reducing, or indeed removing, bureaucracy enabling local authorities to maximise the amount of funding available to invest on the ground.
- 4.17 The coalition Government's commitment to review the appraisal process for transport investment should take into account the need:
- To avoid being overly prescriptive, with more emphasis given to ensuring that the appraisal process focuses on delivery of outcomes and/or outputs.

- To reduce the cost of developing a scheme to the point of delivery, with more emphasis given to keeping the need for studies and complex modelling to a minimum.
- For greater flexibility, in particular recognising that where policy is seeking to achieve a step change, by its very definition a step-change is unlikely to have an established 'evidence base'.
- For a more realistic approach to the cost of carbon and fuel costs given the impact of 'peak oil'.
- For a more realistic approach to consideration of wider benefits arising from the transport investment on behaviours and decision making within society.

## KEY MESSAGES

- There will always be a need for prioritisation; in prioritising transport investment there is a need to co-ordinate and align with investment decisions in other key policy areas.
- Prioritisation of transport investment is needed in order to provide the longer-term perspective that enables effective delivery.
- The significance of the South East – as the gateway for the rest of the UK, and as the powerhouse of the UK economy – makes it critical for a collective voice to influence investment choices for national networks.
- With limited funding available to invest it is critical to invest in supporting the future as opposed to trying to solve past problems.
- With a robust and transparent approach to prioritisation in place, Government should reduce bureaucracy by simplifying the number of funding streams and changing the appraisal process so that it is more fit for purpose.



investment programme



## Programme management

- 5.1 Changes in the planning system, together with the impact of external factors (such as the recent recession), will have implications for the timing of future growth. However, in broad terms the economic geography of the South East continues to provide the foundation for understanding the challenges facing our transport system. It therefore provides the basis on which the South East Investment Programme – developed by the Transport Board – has been prepared (Table 1).
- 5.2 Progress in delivering the investment programme is monitored using information supplied by the local authorities; information that is required by the Department for Transport on a quarterly basis.
- 5.3 Experience has shown that in order to manage the programme efficiently it is appropriate to include an amount of over programming.
- 5.4 Potential increases in scheme cost are monitored as part of the programme management. The transparency of a monitoring regime in which local authorities work as a peer group, reinforces the culture of collective accountability that encourages self-policing.
- 5.5 The importance of providing a longer-term perspective within which to plan transport investment has been highlighted earlier. As a consequence reviews of the investment programme are timed to coincide with the national spending reviews. Such a review provides the opportunity to ensure that the overall programme remains targeted in the most effective way to support the agreed outcomes.

## Funding pressures

- 5.6 The current South East Investment Programme was agreed on the basis of funding assumptions made prior to the recession. In keeping with all areas of public investment these assumptions will be reviewed as part of the spending review.
- 5.7 Once the outcome of that review has been announced there will be a need to review the

investment programme. The expectation is that the scale of the cuts in funding will necessitate a fundamental review of the South East Investment Programme.

- 5.8 In the short term the existing investment programme provides the basis for the Transport Board to react to more immediate funding pressures. In so doing the Transport Board is providing leadership by pro-actively managing the programme so as to deal with changes in circumstances at the local level. Key considerations in the short term are:
- focusing on those investment priorities that have a high 'opportunity cost' associated with them;
  - actively championing those investment priorities that lever in funding from other sources.

### KEY MESSAGES

- The South East remains committed to delivering the agreed investment programme at the earliest opportunity.
- The South East is using the monitoring information available to pro-actively manage the investment programme in the short term.
- There is a need for a fundamental review of the investment programme once the outcome of the Spending Review is announced in autumn 2010.

developing the programme



## Delivering a Sustainable Transport System (DaSTS)

- 6.1 Mindful of the need to develop the investment programme further, in autumn 2008 the Transport Board initiated a piece of work looking at the challenges facing the South East's transport system as a consequence of growth.
- 6.2 Working with local authorities across the South East the Transport Board developed its understanding of existing pressures on the transport system. It also began to understand the implications of planned housing and economic development and the challenges arising thereof.
- 6.3 The previous administration's initiative 'Delivering a Sustainable Transport System' provided the opportunity to build upon the Transport Board's work.
- 6.4 In particular it provided the opportunity to invest in developing capability and capacity at the local and sub-regional level that could then in turn develop implementation strategies. Emphasis was given to ensuring that where new work was commissioned, this complemented existing processes. The processes associated with the Local Development Framework, the Local Transport Plan and the Local Economic Assessment were seen as particularly important.
- 6.5 A key driver (from the Department for Transport's perspective) for the DaSTS initiative was the opportunity it provided to consider transport investment across all funding streams.
- 6.6 By focusing on the period post 2013/14 the DaSTS initiative provided the opportunity to align investment decisions on local authority investment with national decisions on the Highways Agency investment programme and the (statutory) processes associated with the five-year rail infrastructure investment programme of Network Rail. For the latter, the key date is 2012, when the economic regulator – the Office for Rail Regulation – makes its final determination.

## The South East programme of studies

- 6.7 The South East's study programme focused on issues of strategic significance as well as those that are of international and/or national significance but for which there is a South East interest.
- 6.8 In total eight geographically focused studies were commissioned (in alphabetical order):
  - Central Oxfordshire
  - Gatwick Diamond
  - London to Dover/Channel Tunnel
  - Milton Keynes Transmodal (in partnership with the East of England and East Midlands)
  - Milton Keynes Aylesbury Vale
  - Sussex Coast
  - Thames Valley
  - Urban South Hampshire
- 6.9 Local authorities across the South East were responsible for leading the geographic studies, with over sight provided by the Transport Board.
- 6.10 Two thematic studies were commissioned. These were commissioned and managed directly by the secretariat to the Transport Board:
  - Strategic Transport Model (update)
  - Local Transport Plans: Block Allocations
- 6.11 In addition the M25 South West Quadrant study was commissioned as a joint South East/National Networks study, while the South East is a member of the reference group for the Lower Thames Crossing.
- 6.12 All of the South East's geographical and thematic studies submitted their final reports at the end of May 2010. The content of those reports has been used to shape this report.

## Key messages: building on the DaSTS studies

- 6.13 The studies commissioned in response to the 'Delivering a Sustainable Transport System' initiative were taken forward in a short period of time. They have provided the opportunity to review the evidence base and to map out areas where there is a need for further work to be taken forward.
- 6.14 A review of the reports submitted highlighted a number of common themes:
- Challenges need to be presented in spatial terms as opposed to generic issue – there is a need to ensure that challenges are made specific to the locations under consideration.
  - Challenges need to be prioritised clearly – this should be driven by the scale of the opportunity that is realised by seeking to address a particular challenge.
  - There is a need to consider the potential and need for non-transport solutions to reduce/change the nature of the demand for travel – too often we still seek a transport 'solution' to a transport problem whereas the answer may lie with action in another policy area.
  - There is a need to consider issues of affordability and deliverability further in developing detailed proposals.
- 6.15 We believe that the studies have demonstrated that there are aspects of the challenges facing parts of our transport system where there is a need for further work to be undertaken.
- 6.16 Wherever possible this work should be taken forward using existing mechanisms available at the local level – eg Local Transport Plans, Local Development Frameworks and/or Local Economic Assessments. These building blocks form the foundation on which implementation strategies should be developed. However it is clear that much remains to be done to ensure the effective co-ordination of policy development across these documents.
- 6.17 Notwithstanding the need for better integration of existing mechanisms as the means to develop effective infrastructure plans, it is also clear that in some instances the scale of the challenge

is such that further (financial) support is appropriate.

- 6.18 Where appropriate, these messages are reflected in the following sections of this report.
- 6.19 A summary of additional work that needs to be commissioned on a strategic basis is set out in Table 2 (page 24).

### KEY MESSAGES:

- The South East reaffirms the importance of seeking to align investment decisions for transport across all modes from 2013/14 onwards.
- The output from the 'DaSTS studies' should, wherever possible, be taken forward using existing mechanisms – eg Local Transport Plans, Local Development Frameworks and Local Economic Assessments.
- In some locations the scale of the challenge facing the transport system is such that further (financial) support is required in order to develop detailed implementation strategies (Table 2).



# gateaway role



## Access to Heathrow Airport

- 7.1 Although located just within the London boundary, airport operations at Heathrow Airport and related businesses are of immense significance to the South East and its transport system – Heathrow directly employs 70,000 people and supports a further 100,000 jobs. Moreover as the UK's only international hub airport surface access to/from Heathrow Airport is of critical importance to the UK economy.
- 7.2 Work undertaken in support of previous submissions to the Government has identified the urgent need to:
- reduce the environmental impact of movements to/from Heathrow Airport by increasing public transport capacity;
  - improve business productivity by investing in making journey times to/from the airport more reliable.
- 7.3 The South West Quadrant of the M25 is a key part of the transport system that serves Heathrow Airport. However, the pressures on this section of the M25 are also a reflection of the success of the economy in Surrey, the Thames Valley and the outer London Boroughs. Work commissioned by SEEDA identified that looked at the Thames Valley economy identified significant agglomeration benefits to be derived from investment in this part of the South East.
- 7.4 Notwithstanding recent investment in the M25 itself, it is clear that the pressure on this part of the South East transport system is such that there is a need to consider the longer term options for managing demand for travel.
- 7.5 A critical consideration in this regard will be the ambition and aspirations of local authorities along the corridor for longer term economic growth. Using the planning framework to achieve a better balance in the pattern of development, the availability of labour and employment sites will have implications for growth in the demand for travel.
- 7.6 It is in this context that the joint South East/ National Networks study of the M25 South West Quadrant was commissioned as part of the 'DaSTS' initiative. The first phase of this work is scheduled to be concluded in summer 2010.
- 7.7 It will be a matter for Ministers to determine whether a further stage of work is commissioned. However, in considering this matter the South East recommends that any further work must:
- build upon the local authorities' views of the scale and (broad) location of future growth;
  - focus on supporting both existing and future economic activity.
- 7.8 Any strategy for managing demand must be based on delivering:
- improved public transport to Heathrow Airport from the south and south-west: specifically through Heathrow Airtrack (as part of the South West Trains franchise);
  - improved public transport access from the west: specifically through a 'west-facing' link to/from the Great Western Main Line.
- 7.9 The significance and importance of addressing the challenges facing the M25 corridor are such that the South East supports the need for further work on these specific proposals.

## Gatwick Airport

7.10 The airport is at the heart of the Gatwick Diamond. The focus for one of the regional studies commissioned as part of the DaSTS initiative, this confirmed that in the medium/longer term growth will increase the pressure on both the highway and rail corridors serving the Diamond area.

7.11 Existing priorities for investment in the strategic transport system that need to be implemented are:

- improvements to the A23 corridor between Handcross and Warninglid;
- additional platform capacity at Gatwick Airport station;
- using the Thameslink project to secure improvements in train services.

7.12 In the medium/longer term there remains the need to:

- Improve the overall level of public transport services, with particular emphasis given to interchange between rail and bus at Gatwick Airport station reflecting its wider community role as an access point to the rail network.
- Take forward the need to implement capacity improvements at Redhill Station and East Croydon Station as part of a co-ordinated approach to the Brighton Main Line.

7.13 Use needs to be made of the existing Gatwick Diamond partnership to take forward the work required to ensure that the proposals included within the next Local Transport Plan(s) implement this strategy. The partnership operates on a cross local authority boundary basis; it will be important to ensure that work on the Local Economic Assessments is co-ordinated to ensure they fully reflect the potential and opportunities that exist as part of the Gatwick Diamond.

## London to Dover/Channel Tunnel (including Lower Thames Crossing)

7.14 The significance of international and national movements on this corridor is indisputable with around £50bn worth of goods passing through the Port of Dover alone in 2008. Further growth in cross-channel movements will serve to increase this pressure and will emphasise the importance

of finding a long-term solution to the existing capacity constraints across the River Thames to the east of the Dartford Crossing.

7.15 In addition to accommodating international movements, the transport system needs to support delivery of growth within the Thames Gateway, at Ashford and within Dover.

7.16 The regional study commissioned as part of the DaSTS initiative sets out a way forward that forms the basis of an agreed strategy for the corridor:

- Making more effective use of the existing highway capacity – in particular this means the Highways Agency, Kent County Council, Medway Council and the relevant local planning authorities working together to:
  - + develop a system that enables dynamic routing of vehicles between the M26/M20/A20 and the A2/M2/A2 corridors;
  - + develop an effective solution to managing the impact of disruption to cross-channel traffic as a result of Operation Stack.
- Develop detailed proposals for delivering planned growth at Dover, with the Core Strategy now approved, and with proposals for the expansion of the Port of Dover being taken forward, there is a need to develop a detailed implementation strategy for the transport system serving Dover. That strategy should have at its heart the introduction of measures that enable the segregation of local and international traffic that currently both use the A20 Townwall Street.

The significance of this issue is such that the South East supports further funding towards the cost of developing the implementation strategy.

- Deliver the strategic transport schemes identified as needed to support delivery of the growth set out in the Ashford Core Strategy.
- Deliver the 'strategic roads package' identified as being required to deliver growth in the Thames Gateway.
- As part of the longer-term strategy for the Thames Gateway take forward work to develop a firm proposal for a 'lower Thames Crossing'. Any additional crossing capacity should be

located further east than the current Dartford Crossing on the basis that this will maximise the contribution that such a crossing will make towards regenerating the Thames Gateway.

The issue of capacity across the Thames is of national significance and as such should be lead at the national level. In commissioning further work on a 'lower Thames Crossing' Government should work closely with local authorities recognising the fact that it will fundamentally alter the use of existing transport networks. While the Department for Transport needs to provide the leadership on behalf of Government, it is critical that the project is NOT viewed purely as a transport proposal. The Department for Transport must secure cross-Whitehall support for what will be a key piece of enabling infrastructure.

Further work on the lower Thames Crossing should be commissioned as a matter of urgency reflecting the need to establish its location at the earliest opportunity. The significance of this issue is such that the South East looks to the Department for Transport to commit further funding to commission the necessary technical work.

Any work commissioned by the Department must be integrated with that being undertaken on the Local Transport Plan, the Local Development Frameworks and the Local Economic Assessment.

### South Coast to Midlands

**7.17** Continued growth in port related traffic passing through Southampton (and Portsmouth) will bring further pressure to this corridor; one that is of national significance.

**7.18** The Port of Southampton is the UK's second largest container port, handling 40-45% of the UK's trade with the Far East and China. It is also Europe's largest cruise port.

**7.19** Work led by SEEDA to increase the loading gauge on the rail corridor linking the South Coast ports with the Midlands and beyond is scheduled for completion by 2011. In addition, capacity constraints in and around the Reading area will be addressed as part of the wider improvements to

Reading Station, work on which is now underway. With the growth in container traffic through the port, set to grow by 200% between now and 2030, further investment in connecting the transport system with the rest of the UK will be essential.

### Oxford Station/East-West Rail – strategic opportunities

**7.20** Increasingly the lack of capacity on the rail network through Oxford Station is becoming a strategic issue. The need to address capacity at Oxford becomes increasingly important as a result of:

- the increase in rail services on the Cotswold line arising from the restoration of double track;
- the Chiltern Railways' proposal (as part of 'Evergreen 3') to introduce a new Oxford – London (Marylebone) service;
- the restoration of rail services between Oxford and Milton Keynes/Bedford (known as the Western Section of East West Rail).

**7.21** Restoration of the rail link between Oxford and Milton Keynes/Bedford is of wider strategic significance that makes the project of national importance. In addition to providing a step change in public transport access in a key part of the South East, the rail route will significantly reduce journey times for passenger services between the South Coast and the Midlands as well as providing an additional route for deep-sea container traffic associated with the South Coast ports.

**7.22** The national significance of the route has already been accepted in principle by the Department for Transport who as part of the 'Evergreen 3' project is funding works that will ensure the route is available for long-distance freight services.

**7.23** Work led by the local authorities in partnership with the Homes and Communities Agency has taken the Western Section of East – West Rail to the conclusion of GRIP4. The Business Case for the project is exceptionally strong and shows that the scheme will have a surplus in revenues over costs.

**7.24** The significance of Oxford as a focus for growth has also been recognised at the local level, with

the 'Access to Oxford' package a priority in the South East investment programme.

7.25 Given the above it is critical that:

- There is a commitment to implement a preferred solution that addresses capacity issues at Oxford Station as part of the funding settlement for the rail Control Period commencing in 2014/15.
- The Western Section of the East –West Rail is included within the High Level Output Specification for the Control Period commencing in 2014/15.

#### KEY MESSAGES:

- Subject to confirmation by the outcome of the M25 South West Quadrant study, funding should be made available to take forward work on developing detailed proposals for improving access to Heathrow Airport by public transport as part of a wider strategy designed to address pressures on the transport system in the M25 corridor.
- The existing Gatwick Diamond partnership must use the Local Transport Plans and Local Economic Assessments as the means of implementing the strategy identified in the DaSTS study.
- Detailed proposals to make more effective use of the existing highway capacity linking London and Dover/Channel Tunnel need to be prepared through partnership working.
- Funding should be made available to enable Dover District Council and its partners develop a detailed implementation strategy that enables access to the Port of Dover to be improved and enables local growth ambitions to be realised.
- The Department for Transport should commission further work in partnership with local authorities to bring forward a firm proposal for a 'lower Thames Crossing'.
- A commitment needs to be made through the High Level Output Specification for the Control Period commencing in 2014/15 that capacity issues at Oxford Station will be addressed and that the Western Section of East West Rail will be implemented.





# inner south east



- 8.1 The strength of this part of the South East is built on its excellent regional, national and international connectivity, strong economic and labour market structures, high skill levels and a strong business base (comprising large multinationals as well as high value added small and medium sized enterprises).
- 8.2 There is a strong relationship with London. The area has traditionally been one of the fastest growing business locations in Europe, although more recently its competitiveness relative to other global sub-regions has been under pressure. This is of increasing concern for both the South East and the UK. In 2007 the Thames Valley alone generated 16% of the South East economic output, equating to 5% of national output. Employment in the Thames Valley accounts for approximately 20% of the South East total.
- 8.3 Central Oxfordshire is similarly a key focus for economic growth. The potential arising from the combination of Harwell Science and Innovation Campus, the Culham Science Park and Milton Park affords huge opportunities and is of national, if not international, significance. Realising this potential will require the effective co-ordination of investment across a range of policy areas and delivery agencies.
- 8.4 Elsewhere in Central Oxfordshire the opportunity to achieve a step change in delivery as part of the Bicester eco-town will require the active support of Government Departments; support that is matched by additional investment.
- introduction of Crossrail services – initially to Maidenhead but ultimately to Reading (provision for this is already included within the work planned for Reading Station);
  - improved rail access to Heathrow Airport – achieved through a combination of Heathrow Airtrack (provision for which is also included within the work planned for Reading Station) as part of the South West Trains franchise and west-facing access direct from the Great Western Main Line.
- 8.7 Additional capacity on train services had been assumed to be provided through additional carriages for local services in the Thames Valley. Delays in the ordering of new rolling stock mean that there is likely to be a lack of capacity in the short to medium term.
- 8.8 Improvements to the service on the North Down Lines between Reading, Guildford and Gatwick Airport have long been an aspiration. Offering an attractive public transport alternative to the motorway network, investment in this rail corridor will assist in managing the demand for movement along the M25 corridor.
- 8.9 Infill electrification of the North Downs Line as part of the comprehensive strategy for the Great Western would have the added benefit of triggering a cascade of carriages that would help address the shortfall in rolling stock required for local rail services in the Thames Valley.
- 8.10 A commitment by Government to deliver this comprehensive strategy for the Great Western is viewed as critical to supporting economic activity in one of the most dynamic parts of the UK economy.

## A strategy for the Great Western

- 8.5 Running through the heart of the Inner South East, the Great Western is a key part of the transport system.
- 8.6 The components of a comprehensive strategy for the Great Western have already been set out, either at national or South East level. These are:
- delivering the additional capacity planned for Reading Station and its environs;
  - electrification of the Great Western Main Line;
- 8.11 The DaSTS study for the Thames Valley reinforced the priority that needs to be given to ensuring that this world class economic area continues to perform strongly.
- 8.12 Reference has already been made to the key role that the Great Western plays in supporting

economic activity. Other key investment priorities already identified for this part of the South East are:

- managed motorway schemes for the M4 and M3 corridors;
- implementation of proposals for an inter-urban bus and coach network linking the larger towns in the Thames Valley and across the Inner South East.

- 8.13 The DaSTS study highlighted the need to ensure that investment at a local level complements the planned strategic investments. An immediate priority for further work is ensuring that there is the capacity and capability at the sub-regional level to develop detailed investment proposals for the local networks that build upon and complement these strategic investments.
- 8.14 The significance and importance of this for the South East and UK economy is such that the South East supports funding to invest in developing further the capacity and capability at the sub-regional level. This will in turn enable local authorities to use existing processes – such as the Local Transport Plan – to bring forward realistic, costed packages of measures.

#### Oxford/Central Oxfordshire

- 8.15 The DaSTS study for Central Oxfordshire mapped out the scale of the challenges facing this part of the Inner South East. Reference has already been made to the national significance of addressing the strategic challenges facing the transport system in Oxfordshire.
- 8.16 The output from the DaSTS study reinforces the importance of continuing to build upon the work already underway through the 'Access to Oxford' package.
- 8.17 It also highlights the scale of the opportunity presented by Science Vale UK. However it is clear from the study that in order to realise this potential there is a need for additional investment in the capacity and capability to deliver growth.
- 8.18 The critical importance to the UK economy of ensuring that the potential of Science Vale is realised is such that the South East supports funding to invest in developing that capacity and

capability. As with the Thames Valley, this will in turn enable the local authorities to use existing processes – such as the Local Transport Plan – to bring forward realistic costed packages of measures.

#### KEY MESSAGES:

- A commitment needs to be made by Government to deliver the comprehensive strategy for the Great Western.
- Funding should be made available to the Unitary Authorities in Berkshire in order to increase their joint capacity and capability to develop detailed proposals that support the Thames Valley economy.
- Funding should be made available to Oxfordshire County Council in order to increase its capacity and capability to develop detailed proposals that will enable the potential for Science Vale to be realised.



# coastal south east



9.1 This part of the South East is characterised by large urban areas offering strong economic potential alongside coastal towns that have had mixed success in reinventing themselves.

## Urban South Hampshire

9.2 South Hampshire is the largest urbanised area in the South East outside of London. It is dominated by the two cities of Southampton and Portsmouth, but includes a number of other important towns that together form an almost continuous strip of urban and suburban development along the Solent coastline.

9.3 The economic opportunities for the sub-region are considerable, driven in no small part by the presence of three international gateways and a strong local economy supporting a population of around one million people.

9.4 With leadership provided by the Partnership for Urban South Hampshire (PUSH) the local authorities have set out an ambitious agenda for development that seeks to achieve a step change in economic performance whilst at the same time reducing its ecological footprint.

9.5 With the largest brownfield employment site in the South East – at Eastleigh Riverside, adjacent to Southampton’s international airport – the opportunity for significant employment growth is significant. The promotion of two Strategic Development Areas, including the eco-town at North Fareham, containing a mixture of residential and employment uses, lends credibility to the Partnership’s longer-term ambitions.

9.6 The DaSTS study has enabled progress with the identification of detailed implementation plans to be accelerated. It has enabled gaps in the evidence base to be filled and allowed work on providing a land-use/transport modelling tool to be taken forward. The outcome of the work is already helping shape detailed proposals that are being taken forward through the Local Transport Plans. Transport for South Hampshire leads on the transport work for the sub-region.

9.7 Encouraged by the scale of the Partnership’s ambition and recognising the commitment already made by the local authorities to implementation, the South East supports making funding available to enable this work to be completed at the earliest opportunity.

## Sussex Coast

9.8 If we were to realise the economic potential and opportunities along the coastal strip such that the economic performance was raised to the UK average, we would generate an additional £13bn GVA per annum.

9.9 Realising that potential remains an aspiration in the medium-longer term. However in order to achieve that requires further work to be undertaken in developing effective implementation strategies; ones that are affordable and deliverable.

9.10 With the exception of Brighton, Gross Value Added (GVA) per resident and per worker for the Sussex Coast is below both the South East and national averages. Economic performance is in decline relative to the wider South East with highly skilled and qualified residents opting to commute out of the area to work.

9.11 However the potential of the sub-region remains there to be tapped into. Moreover the collective ambition of local authorities remains unaltered: to deliver regeneration through better connectivity, alongside investment in economic development and skills.

9.12 The DaSTS study has confirmed that investment in the transport system remains a key component of the longer-term strategy. However, there remains the need to explore more fully the potential offered by co-ordinated investment across all the available modes as part of that strategy. In particular there is a need to explore the potential for enhanced rail and bus services to provide the level of accessibility required to support economic regeneration.

9.13 As part of any such consideration the viability and affordability of significant improvements to the highway network needs to be reviewed. This should also include an assessment as to potential to recover the cost of new highway infrastructure through user charges.

9.14 The South East continues to view realising the economic potential of the Sussex Coast as a longer-term priority. However, the complexities of the issues associated with realising that potential are such that further work is required. It is in this context that the South East supports commissioning a follow-on study specifically targeted at the issues identified above.

#### KEY MESSAGES

- Realisation of the economic potential of the South Coast remains a priority for the South East; in so doing it is acknowledged that this will require a commitment over an extended period of time to invest in the development of the transport system.
- Funding should be made available to the Partnership for Urban South Hampshire to support the development of detailed proposals in order to enable their implementation to take place at the earliest opportunity.
- Funding should be made available to West Sussex County Council and Brighton and Hove Council to develop a detailed implementation strategy that will enable the regeneration potential of the coastal area to be realised.





Chatham  
Maritime  
Marina

# growing areas



- 10.1 The three Growth Areas in the South East are different in their scale and vision. However they share the need to stimulate enhanced productivity and sustainable economic growth, secured through investment in infrastructure that unlocks their potential.
- 10.2 The needs of two of the Growth Areas – Thames Gateway and Ashford – have already been touched on as part of the discussion centred on the London to Dover/Channel Tunnel corridor.
- 10.3 That study reaffirmed the importance of continuing to invest in the long-term regeneration of the Thames Gateway. The completion of High Speed 1 is already providing added impetus to the project. Delivery of the ‘strategic roads package’ is a priority; one that should be reinforced as part of the work underway on the Local Transport Plan and Local Development Frameworks. In addition the Local Transport Plan needs to set out how the development of the local rail service complements the other strategic transport investments.
- 10.4 The importance of the Ashford Growth Area has similarly been reaffirmed through the work of the London to Dover/Channel Tunnel study. With the Core Strategy established and a comprehensive package of infrastructure measures already identified, the implementation strategy for Ashford needs to be embedded within the next Local Transport Plan.
- 10.5 The importance of the Ashford Growth Area has similarly been reaffirmed through the work of the London to Dover/Channel Tunnel study. With the Core Strategy established and a comprehensive package of infrastructure measures already identified, the implementation strategy for Ashford needs to be embedded within the next Local Transport Plan.
- 10.6 Improved connectivity with Milton Keynes will help strengthen the economic role of Aylesbury, although this needs to be balanced with the need to reduce the current level of out-commuting from the town.
- 10.7 The Milton Keynes Transmodal study provides the strategic context for ensuring that investment in the transport system helps realise the potential of this part of the South East. The Transmodal study suggests that transport strategy should be based on the following:
- Investment, taken forward through the next round of Local Transport Plans, targeted at improving the connectivity within the key urban areas. For Milton Keynes this means working closely with the neighbouring authorities to improve the connections from residential areas on its periphery into the city centre.
  - Investment in developing a network of inter-urban bus/coach services linking key urban areas to one another, building upon the work initiated through the MKSM Executive to develop an effective working relationship with local bus/coach operators.
  - Based on the evidence available the South East supports the need for further work to be commissioned to develop detailed proposals for implantation.
  - Investment in longer-distance inter-urban movements focused through delivery of the western section of East-West Rail.

## Milton Keynes Transmodal and Milton Keynes/Aylesbury Vale

- 10.5 Milton Keynes is at the heart of the Oxford – Cambridge Arc. It has a modern growing economy and is developing a city-region role that extends beyond its boundary. The scale of growth envisaged in the medium to long term would see the city become similar in size to Cardiff: realising this potential is therefore of significance for the UK.
- 10.6 Improved connectivity with Milton Keynes will help strengthen the economic role of Aylesbury, although this needs to be balanced with the need

**KEY MESSAGE:** Funding should be made available, via the MKSM Executive, to develop detailed proposals for implementing the inter-urban bus/coach network.



# Millions

# Conclusions

- 11.1 The South East remains the powerhouse of the UK economy. The success of our economy cannot be taken for granted though. Indeed the work undertaken through the programme of regional studies commissioned as part of the DaSTS initiative provides clear evidence of the challenges we face.
- 11.2 The studies were commissioned within the framework of spatial priorities that are based on the economic geography of the South East. They built upon the work of the Transport Board, work that resulted in the programme of investment priorities.
- 11.3 The Transport Board was set up in response to the desire of local authorities in the South East to provide leadership on a collective basis. The Board has established its credibility amongst local authorities and within Whitehall on the basis of its willingness to take difficult decisions on the basis of sound evidence and robust analysis. At the heart of its process is an approach that is transparent and member-led at all times.
- 11.4 Local authorities want to use their experience with the Transport Board to help refine and develop further the role of collective working as a response to the coalition Government's 'localism' agenda. They do not want to see decision making returning to Whitehall.
- 11.5 The DaSTS studies provided the opportunity to build upon work already underway designed to better understand the nature and scale of the challenges facing the transport system as a consequence of growth. The study reports have been submitted to the Department for Transport. This report sets the output from the studies into the wider strategic context.
- 11.6 There is a need to develop and refine the South East programme of investment. The output from the DaSTS studies will help in this respect. However more critical is the need to ensure that better use is made of existing processes – such as those associated with Local Transport Plans, Local Economic Assessments and Local Development Frameworks – as a means of 'joining up' thinking across policy areas. Too often bespoke studies are commissioned when in fact more effective working at the local level would deliver the same outcome at less cost and more quickly.
- 11.7 However based on the evidence of the DaSTS reports it is clear that in some situations the scale of the challenges facing the transport system that further investment is required. This report sets out where the South East recommends targeting funding that was originally earmarked for 'DaSTS Phase 2' to support the work of local authorities to develop their capacity and capability.
- 11.8 This report provides an updated overview of the challenges facing the South East's transport system. More importantly it sets out a strategic framework that forms the basis for taking forward the programme of investment priorities within an environment of constrained public sector funding. As such it provides the basis for the South East engaging on a collective basis with the Department for Transport and the rest of Government, in order to ensure that its investment needs continue to be recognised at the highest level.

Table 1: The South East Transport Board Investment Programme

INTERVENTION	DELIVERY AUTHORITY	TOTAL COST	TOTAL RFA COST	SPENDING REVIEW PERIOD								
				2008 - 2011			2011-2014			2014-2017		
				08-09	09-10	10-11	11-12	12-13	13-14	14-15	15-16	2016+
M4 Junction 11 - Mere oak	Reading	66	62	31	28	3						
A3 Hindhead Improvement	Highways Agency	371	265	95	94	51	26					
A4 Shepherds House	Wokingham	2	2		2							
Medway Tunnel	Medway	5	5		5							
A332 Windsor and Eton Relief Road	Windsor & Maidenhead	5	4		4							
Windsor Parking Strategy Project	Windsor & Maidenhead	5	5		5							
Trafalgar Gate Link Road	PUSH / Portsmouth	5	5		5							
M27 Junction 5	PUSH / Hampshire	9	4			4						
Access to Oxford - additional bay platform at Oxford Station	Oxon CC/ Network Rail	12	5			5						
Gatwick Station remodelling	Network Rail / W.Sussex	53	6			6						
Regional Infrastructure Fund	SEEDA / Kent CC	15	15			15						
Access to strategic development in Portsmouth and S. E Hampshire: Tipner	PUSH / Portsmouth	30	25			9	16					
Northern Bridge (maintenance)	PUSH / Portsmouth	20	18				18					
Ashford Smartlink Bus Rapid Transit	Kent CC	32	27				27					
East Kent Access - Phase 2	Kent CC	87	82	< 1	12	37	27	6				
Sittingbourne Northern Relief Road	Kent CC	45	23	<1	6	12	3	2				
Reading Station Incremental Capacity Upgrade	Network Rail / Reading	536	15			3	7	5				
Bexhill - Hastings Link Road	East Sussex CC	89	80		<1	17	33	29				
Thames Valley Bus and Coach Network - High Wycombe Coachway	Bucks CC	27	23			5	13	4				
A244 Walton Bridge	Surrey CC	38	30			7	14	7	2			
A23 Handcross to Warninglid Widening	Highways Agency	96	87	2	5	11	23	31	16			
A21 Tonbridge Bypass to Pembury Dualling	Highways Agency	129	118	<1	1	4	10	51	51			
Coastal RTS	Brighton / West Sussex CC	30	21				3	8	10			
A21 Baldslow Junction Improvements	Highways Agency	40	40					20	20			
A21 Kippings Cross to Lamberhurst Bypass	Highways Agency	135	108	1	3	2	4	38	42	19		
A24 Ashington - Southwater	West Sussex CC	32	28	<1	<1	<1	<1	6	13	8		
A421 Milton Keynes - M1	Milton Keynes / C. Beds	32	25						10	15		
Access to Oxford - A34 and Bicester rail line	Oxon CC/ Network Rail	70	57						25	25	7	
Access to strategic development in Southampton and South Hampshire	A3024 HOV Lane		9							2	7	
	Northam Bridge		9							2	7	
A2 Bean Junction	Highways Agency	50	46							20	26	
Redhill Hub Transport Improvement Scheme	Surrey CC	31	20							10	10	
Guildford Hub Transport Improvement Scheme	Surrey CC	33	29					1	6	8	8	6
A3 [A247-A31] Junction Improvements	Highways Agency	40	40								10	30
Access to strategic development in Southampton and South Hampshire (remaining elements)	PUSH / Southampton	20	20								10	10
Thames Valley Bus and Coach Network - Remaining elements	T.B.C. (Bucks / Slough)	15	13								6	7
Improved accessibility to Chichester - A27 Chichester Bypass	Highways Agency	137	136							30	30	76
<b>TOTAL EXPENDITURE</b>		<b>2363</b>	<b>1506</b>	<b>130</b>	<b>171</b>	<b>191</b>	<b>223</b>	<b>208</b>	<b>195</b>	<b>138</b>	<b>121</b>	<b>129</b>

## Table 2: Recent Transport Studies

GEOGRAPHICAL AREA	ISSUES IDENTIFIED THROUGH INITIAL STUDIES AS REQUIRING FURTHER WORK	ORIGINAL 'DASTS 2' PROPOSAL	REVISED PROPOSAL
INTERNATIONALLY/NATIONAL SIGNIFICANT ISSUES			
M25 South West Quadrant	Subject to final outcome of Phase 1 work (due to report summer 2010) Any strategy for managing demand should be based on delivering: <ul style="list-style-type: none"> <li>• Improved public transport access to Heathrow Airport from the south and south-west: specifically through Heathrow Airtrack (as part of the South West Trains franchise)</li> <li>• Improved public transport access from the west: specifically through a 'west-facing' link to/from the Great Western Main Line</li> </ul>	£100,000	To be determined following publication of Phase 1 report
London to Dover/Channel Tunnel (including Lower Thames Crossing)	Making more effective use of the existing highway capacity – Highways Agency, Kent County Council, Medway Council and relevant local planning authorities working together to: <ul style="list-style-type: none"> <li>• Develop a system that enable dynamic routing of vehicles between the M26/M20/A20 corridors;</li> <li>• Develop an effective solution to managing the impact of disruption to cross channel traffic as a result of Operation Stack</li> </ul> Invest in the development of a detailed proposal that enables access to the Port of Dover to be improved and enable local growth ambitions to be realised – led by Dover District Council in partnership.  Department for Transport should commission further work in partnership with the local authorities to bring forward a firm proposal for a 'lower Thames Crossing'.	£100,000	£70,000
Oxford Station/East-West Rail (Western Section)	Commitment to be made through the High Level Output Specification for the Control Period commencing 2014/15 that capacity issues at Oxford Station will be addressed and that the Western Section of the East West Rail will be implemented.		
ISSUES OF STRATEGIC SIGNIFICANCE FOR THE SOUTH EAST			
Inner South East	Commitment to be made by Government to deliver the comprehensive strategy for the Great Western route.  Invest in increasing the joint capacity and capability of Berkshire Unitary Authorities to develop detailed proposals that support the Thames Valley economy.  Invest in increasing the capacity and capability of Oxfordshire County Council to develop detailed proposals that will enable the potential for Science Vale to be realised.	£225,000	£200,000
		£125,000	£100,000
Coastal South East	Support on-going work led by the Partnership for Urban South Hampshire to support the development of detailed proposals in order to enable their implementation to take place at the earliest opportunity.  Commission a second stage piece of work to develop a detailed implementation strategy that will enable the regeneration potential of the West Sussex coastal area to be realised – led by West Sussex County Council and Brighton and Hove Council.	£160,000	£80,000
		£200,000	£175,000
Growth Areas	Invest in the development of detailed proposals for implementing the inter-urban bus/coach network serving the Milton Keynes South Midlands Growth Area – led by the MKSM Executive.	£100,000	£75,000
<b>TOTAL</b>		<b>£1,010,000</b>	<b>£700,000</b>

**NOTES:**

- Based on the outcome of the studies as part of the South East programme of working arising out of the 'Delivering a Sustainable Transport System' initiative.
- Funding for further work identified below to be provided by Department for Transport using funds originally associated with 'DaSTS – Phase 2'
- Availability of budget has to be confirmed by Department for Transport



Written and designed by South East England Partnership Board staff  
on behalf of South East England Councils, July 2010

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Note that the Partnership Board closes on 31 July 2010

