

# MISSING LINKS

How better South East transport links can improve UK economic potential

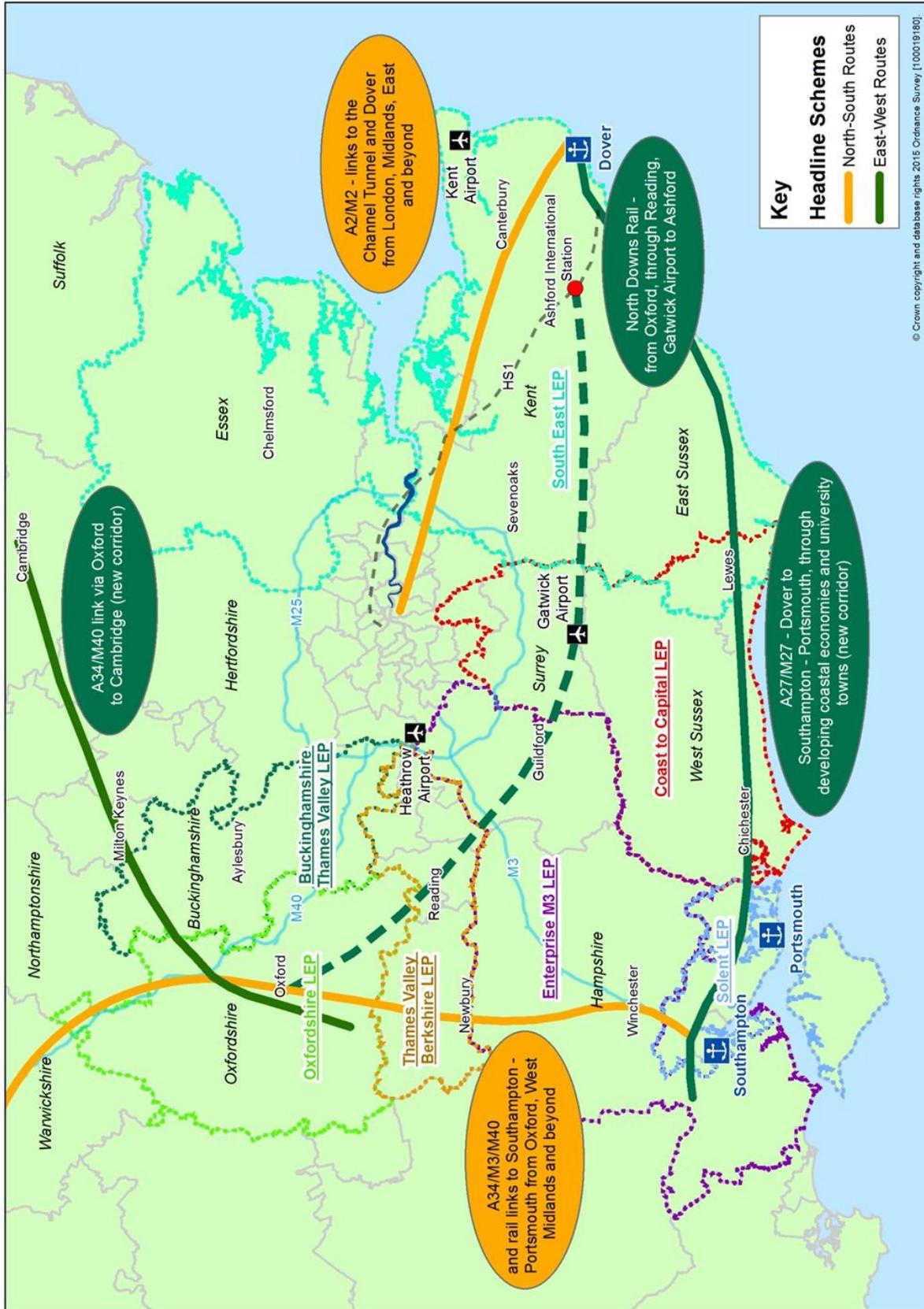


**South East England Councils**

**South East Strategic Leaders**

**South East Directors of Environment, Economy, Planning and Transport**

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# South East's Five Headline Strategic Transport Needs

# MISSING LINKS

## How better South East transport links can improve UK economic potential

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### **Acknowledgements**

*SEEC, SESL and SEDEEPT would like to record their thanks to the many councillors and officers from member local authorities and partner organisations across the South East who have made this document possible. Contributions have been invaluable in helping to quantify the economic benefits of projects and estimating costs to help illustrate the case for South East investment, even though the projects in this document are currently outside the reach of their individual organisations.*

## Executive summary

*Missing Links* sets out the South East's top five strategic transport investment needs that will deliver benefits for freight, business and leisure travellers now and in the long term. It responds to the Government's request for prioritisation of South East transport needs and asks Ministers to invest in priority projects which will benefit the UK as a whole. The South East is the UK's most profitable economy and a major international transport gateway used by businesses and individuals country-wide. The South East economy competes globally, not just nationally; generates billions more in taxes than it receives in public spending and is home to a number of international transport hubs, including Gatwick, Dover, the Channel Tunnel and Portsmouth. The South East also provides many transport access routes to Heathrow, the UK's busiest airport which sits just over the London boundary.

The South East's economic success and role as a major funder of public spending are at risk from under-investment in transport infrastructure that is essential for local and national economic growth. Road and rail routes to and through the South East are congested, overcrowded and inefficient, damaging business profitability and making the UK less attractive globally as an investment option. Companies from across the UK rely on our transport gateways to reach international markets. However those transport links are increasingly congested, creating problems for businesses, commuters, residents and the environment.

There is an opportunity to build on the South East's economic potential by investing in existing and new road and rail infrastructure. Combining physical road and rail improvements with new transport technology and innovation will improve travel capacity, reduce congestion and support inward investment and business growth. Investment in transport improvements will deliver new housing and employment developments by providing sustainable transport options for potential sites.

*A world class aviation ambition must be matched by world class surface transport infrastructure.*

At present, a piecemeal approach to transport investment in the South East is damaging the UK's economy. The government must recognise that a strategic approach that crosses administrative boundaries is essential to ensure the future success of the UK's economy. Better transport is needed alongside homes and employment land to maximise South East economic potential in Government target growth sectors. Investment in improving the South East's strategic road and rail network will pay dividends for the Treasury and the country as a whole.

There are five critical strategic transport routes in the South East which would open up significant economic potential. Organisations from across the region have come together to identify and prioritise where investment is most needed and will generate the most benefits for businesses, residents and offer excellent return on investment to the Treasury. It is a co-ordinated and coherent programme for projects that cross multiple local authority and LEP boundaries. The priorities include:

- Better national road and rail access to the South East's internationally important ports and airports.
- Improved cross-country road and rail routes linking major South East economic areas, without the need to travel via central London.
- Reduced congestion, delays and bottlenecks.

Despite the major national and local economic benefits of our five headline South East strategic projects, they are unable to progress because the costs are beyond local means and genuinely strategic solutions do not yet feature in the Government's national transport programme.

The investment we propose in *Missing Links* is vital for the South East to meet the demands of the forecast growth of the region and continue to remain a profitable area. Without targeted investment in transport, economic growth will be stifled, congestion will increase and the quality of life for millions of people will worsen. The South East's economic potential needs an investment strategy that looks across administrative boundaries to deliver high quality, reliable, long distance strategic routes that businesses need to be able to maximise their productivity and economic potential. Delivering this package of transport improvements will benefit the entire UK economy and we urge the Government to invest now or risk losing vital ground.

The *Missing Links* projects are, of course, not the only transport investment needs in the South East. In addition to our headline five projects, there are many other schemes – both strategic and local – where investment would deliver significant economic returns and help relieve growth pressures (some of these are outlined in section 4).

Clearly we would welcome investment in additional projects as our members are keen to work with Government to address what they see as a wider infrastructure investment deficit in the South East. Our members believe addressing that wider deficit is also essential to help the South East economy remain competitive and to respond to significant pressure from housing and population growth.

However, in responding to Ministers' requests for prioritisation in this report we have chosen to highlight as our five priorities the most significant and strategic cross boundary projects that we believe will maximise the South East's contribution to the national economy.

## 1. South East: Invest for economic growth or risk losing ground

- 1.1 The South East of England has a key position in the UK economy as the most profitable area for the Treasury. South East businesses and residents generate billions more in taxes than the area receives in public spending, providing significant excess funds for the Government to spend UK-wide – but without further investment, neither HM Treasury nor the South East can fully benefit from its economic potential.
- 1.2 While the South East covers a large area with multiple transport needs and investment opportunities, this document draws together five critical strategic transport routes. These are our '*Missing Links*' that, with investment, would open up significant economic potential.
- 1.3 In this *Missing Links* document we summarise why further targeted investment in the South East's transport network is so vital and set out five headline projects, which would unleash significant economic growth, reduce congestion, and improve quality of life.

### The opportunity

- 1.4 The South East has a dual role as the UK's most profitable economy (in terms of net profit to the Exchequer) and as a major international gateway used by businesses country-wide. Investment in improving the South East's strategic road and rail will therefore pay dividends for the Treasury and for the country as a whole.
- 1.5 Investing in South East strategic transport links will boost the economy in two key ways.
  - a) **Better north-south routes** will improve national access to major South East ports and airports that are used by businesses UK-wide to gain access to export markets, supply chain imports and leisure travel opportunities.
  - b) **Better outer orbital connectivity on east-west routes** – including improvements to existing key arteries and new linkages – will support and strengthen the national network and complement radial links to and from London. Improved orbital routes will link key economic centres across the South East and beyond.
- 1.6 Combining physical road and rail improvements with new transport technology and innovation will improve travel capacity, reduce congestion and support inward investment and business growth. The South East's own world class research and development sectors are well-placed to deliver hi-tech transport solutions to support Government investment.
- 1.7 Delivery of better road and rail infrastructure will help deliver new housing and employment developments by providing sustainable transport options for potential sites. Better transport is needed alongside homes and employment land to maximise South East economic potential in Government target growth sectors such as Information & Communications and Professional, Scientific & Technical. In both these sectors the South East already has more than 20% of England's total businesses and has further potential to develop highly successful economic clusters – but only if investment in transport infrastructure matches business needs.

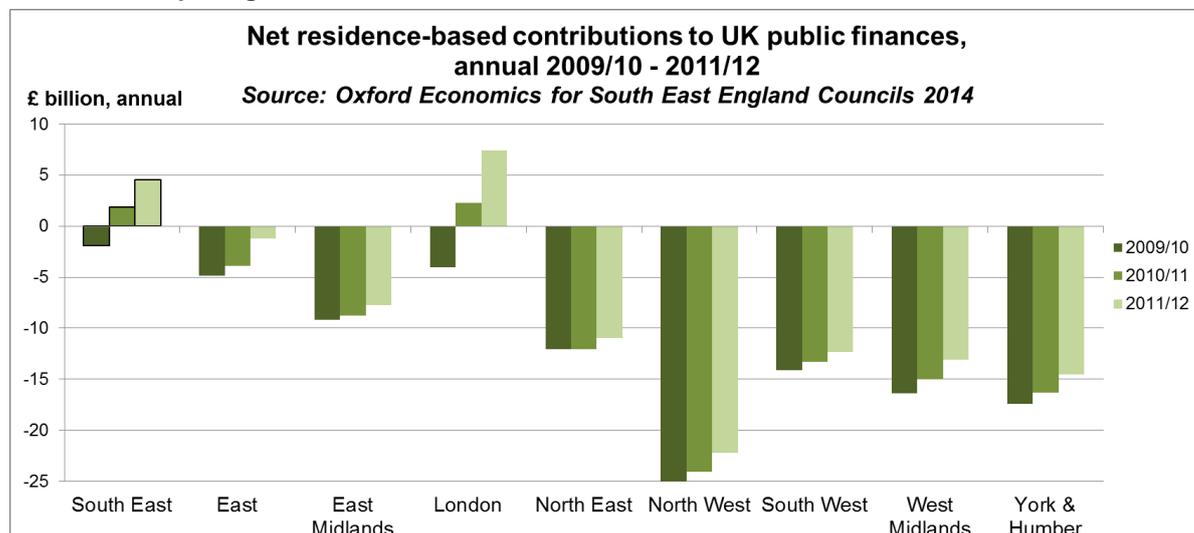
## Building on South East economic potential

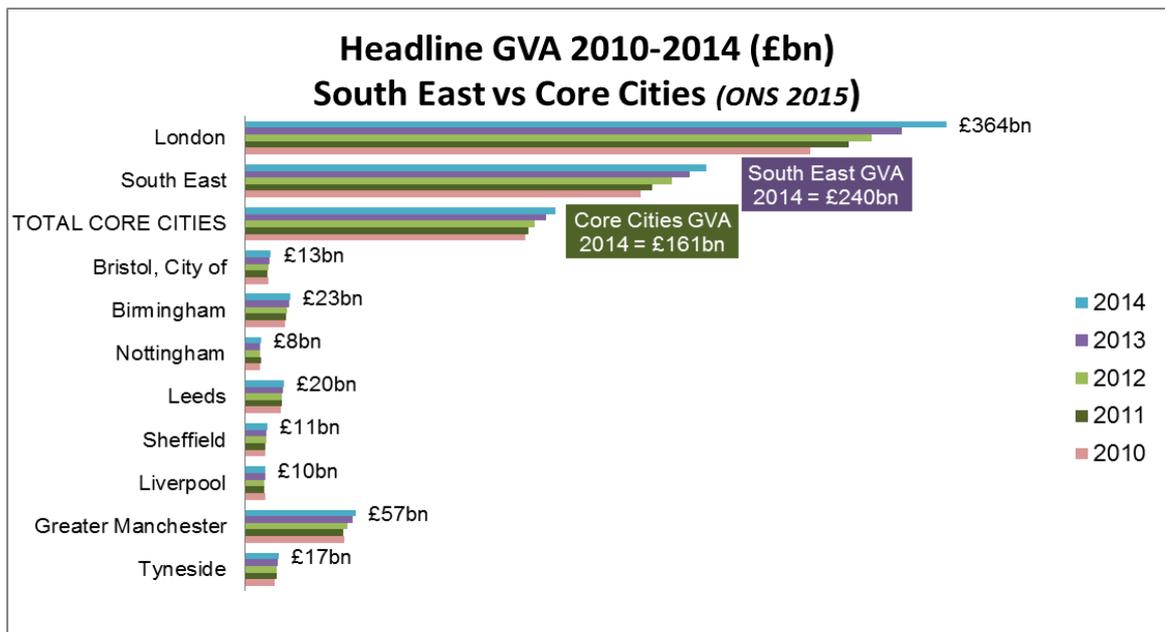
- 1.8 The South East economy competes globally not just nationally – we have an economy larger than the United Arab Emirates and only slightly smaller than South Africa. If it was a standalone country the South East would be the world’s 30th biggest economy.
- 1.9 Within the UK the South East has very strong GVA performance, generating billions more in taxes than the area receives in public spending:
- The South East is the UK’s most profitable economy. Figures show that the South East pays considerably more in taxes than it receives in public spending – creating a net profit for the Treasury. The South East was the biggest net contributor over the 10 years 2002-12, generating a profit of £80bn for the Treasury. This is higher than London’s £74.8bn over the same period. Continued returns from the South East are vital as this profit helps fund public spending UK-wide (see table 1 and chart 1 below).
  - Comparison with England’s 8 core cities shows the high value of the South East economy from 2010-14. In 2014 the £240bn Gross Value Added (GVA) from the South East exceeded the combined £161bn GVA of all 8 Core Cities (chart 2). South East GVA is also larger than the combined £178bn GVA of Scotland and Wales.

**Table 1: Financial contributions to UK finances**

<b>Net residence-based contributions to UK public finances</b>	
<i>Source: Oxford Economics for South East England Councils 2014</i>	
<b>10 year total contributions, 2002/03 to 2011/12, £ billion</b>	
<b>South East</b>	<b>80.0</b>
East	24.8
East Midlands	-38.8
London	74.8
North East	-84.8
North West	-157.9
South West	-70.8
West Midlands	-83.8
York & Humber	-101.1

**Chart 1: Comparing net contributions to UK finances**





### The risk of not investing

- 1.10 The South East's economic success and role as a major funder of public spending are at risk from under-investment in transport infrastructure that is essential for local and national economic growth.
- 1.11 Road and rail routes to and through the South East are congested, overcrowded and inefficient. This is damaging business profitability and making the UK less attractive to companies looking to invest – either in the South East or in other parts of the country that rely on the South East's gateway routes.
- 1.12 The South East does not primarily compete with other areas of the UK for business – it competes globally against locations in mainland Europe and the Far East. It is a fallacy to assume that every business deterred from the South East by congestion will relocate to other parts of the UK.
- 1.13 Companies from many other areas of the UK rely on our transport gateways to reach international markets. However those transport links are increasingly congested, creating problems for businesses, commuters, residents and the environment alike.

### Funding

- 1.14 Despite the major national and local economic benefits of our five headline South East strategic projects, they are unable to progress because the costs are beyond local means and genuinely strategic solutions do not yet feature in Government's national transport programme.
- 1.15 The headline projects cross multiple local authority and LEP boundaries. Even together these partners have limited access to funds and limited powers to raise money for the type of strategic projects required. There are also questions about whether such nationally-significant investment should need to come from a single area such as the South East.
- 1.16 Funding problems are compounded by the fact that there is no single funding route open to South East partners to ensure a strategic approach to investment in nationally significant transport projects. For example Highways England and National

Rail have separate funding programmes but there is no clear way to pull investment together to ensure a co-ordinated, coherent programme for projects that cross multiple local authority and LEP boundaries.

### **Building on national transport priorities**

1.17 The five South East headline projects build on existing commitments and assessments underway by DfT and Highways England. In addition there are three particular projects where we recognise existing Government interest but want to see decisions and delivery coming forward much more quickly on:

**a) The new lower Thames crossing** – speeding up delivery of this project is critical to reducing congestion for freight and private traffic travelling to or from South Coast ports including Dover, the Channel Tunnel and Newhaven. The new crossing is an important precursor for further transport improvements needed in Kent to reduce the impact of congestion on local residents.

**b) Solutions to manage Operation Stack** – we welcome Government's 2015 Autumn Statement commitment of £250m to address the major transport disruption caused by Operation Stack. We now want to see swift action – in collaboration with local partners – to agree and deliver a package of on-and-off-highway measures that will reduce and alleviate the severe congestion and disruption to business and communities in Kent when there is an interruption to international freight movement. Freight worth £150bn a year passes through the Channel ports and the impact of delays on the UK economy and on daily life in Kent is substantial, as seen from the events of 2015 when Operation Stack was used 32 times, causing major disruption to Kent's roads.

**c) Improving public transport access to airports, particularly Heathrow** – speeding up delivery of improved rail access to Heathrow from the West and South to reduce current high levels of road congestion. Whatever the decision on possible future airport expansion, we want to see a firm, early commitment to starting work on Western Rail Access to Heathrow (WRAtH project) as well as significant measures to improve very poor rail links to the airport from Surrey and Hampshire via South West Trains routes. Rail journeys to Heathrow from some parts of the South East currently take 3+ hours, discouraging a shift from road to rail.

1.18 Investing in better airport links is needed regardless of the Government's final decision on the location of an additional runway, as Heathrow – even without expansion – will continue to be the busiest UK airport. The Airports Commission noted that southern quadrant of the M25 that links Gatwick and Heathrow is expected to reach 125% capacity at junctions 13-14 even before an additional runway is considered.

1.19 Once a decision is taken on future airport expansion, there will be a need for significant additional transport investment over and above current needs at whichever location is chosen for any new runway. Our input to the Airports Commission highlighted a lack of ambition in the transport proposals from both Gatwick and Heathrow. We consider the current proposals will not be sufficient to mitigate the road congestion, train overcrowding and pollution impacts of airport expansion. Any new runway must be supported by a fully integrated approach to improving strategic infrastructure. Without this we will degrade quality of life for residents across the South East and fail to deliver successful expansion that

genuinely enhances the UK's national and global economic potential. A world class aviation ambition must be matched by world class surface transport infrastructure.

- 1.20 SEEC members also welcome plans announced by Highways England in September 2015 to start work in the next five years on £2.2bn of upgrades to roads in the South East. We understand this is a significant commitment from Government funds and reflects Ministers' recognition that investment in better transport can boost better economic performance in the South East.
- 1.21 Seven projects in the Highways England list cover parts of our *Missing Links* routes:
- Three projects address parts of the A27/M27 route
  - Two projects cover parts of the M2/M20 corridor
  - Two projects will deliver improvements to parts of the A34/M3 route.

**While we strongly support these commitments to invest, we would value the opportunity to talk to Ministers about developing whole-route approaches rather than partial fixes.**

- 1.22 We believe that a genuinely strategic approach to investing in the full length of our five *Missing Link* corridors will deliver more substantial economic growth within the South East and nationally than a piecemeal approach. The South East's economic potential needs an investment strategy that looks across administrative boundaries to deliver high quality, reliable, long distance strategic routes that businesses need to be able to maximise their productivity and economic potential.

## 2. South East strategic projects - the headline five

2.1 While the total South East transport investment needs are significant and could run to many pages, SEEC-SESL-SEDEEPT have identified five headline strategic projects that will deliver transport benefits for freight, business and leisure travellers including:

- Better national road and rail access to the South East's internationally important ports and airports (including Dover, Southampton, Portsmouth, Gatwick).
- Improved cross-country road and rail routes linking major South East economic areas, without the need to travel via central London. While commuting and business links direct to London are important, investment also needs to address travel needs within the South East in a way that bypasses London. This would increase road and rail capacity in London by offering viable alternative orbital routes.
- Reducing congestion, delays and bottlenecks.

### North-south

2.2 Two existing major north-south routes need improvement to ensure they help rather than hinder businesses nationwide who rely on efficient and reliable movement of people and goods whether for import, export, business travel or leisure journeys.

- **A34/M3 and rail links to Southampton-Portsmouth from Oxford, the West Midlands and beyond** (existing corridor).

Better links to these international gateways (two major ports plus Southampton Airport) are vital to reduce costly congestion affecting sectors such as the UK car industry (import of parts, export of finished cars), food retailers (import of fresh fruit & vegetables) and leisure industry (cruise ships).

- **A2/M2 – links to the Channel Tunnel and Dover from London, East, the Midlands and beyond** (existing corridor).

This route is an essential link for freight traffic, business and leisure travellers to and from mainland Europe. Key sectors using this route are the logistics industry (import and export for the UK's largest overseas market) and the travel/ holiday industry. Improvements are needed to increase resilience and reduce delays on this vital part of the strategic road network.

### East-west

2.3 Two existing major east-west routes need improvement to release enormous potential to enhance the economic performance of the South East and increase the Treasury's national spending power. In addition, one new corridor is needed to meet East-West non-rail transport needs, complementing existing commitments to East-West Rail.

- **A27/M27/A259 – from Dover to Southampton and Portsmouth, through developing coastal economies and university towns** (existing corridor).

A strategic approach to improving this route to deliver better links between major south coast ports and economic or regeneration centres will deliver significant improvements for freight and leisure traffic. Current congestion on this route hampers business prospects and increases congestion on the M25 due to lack of a viable alternative cross country routes.

- **Oxford to Cambridge, including improved A34/M40 link** (new corridor)

There is an existing commitment by Government, through Highways England, to work with a consortium of local authorities to study options for linking the major jobs and housing growth corridor between Science Vale/Oxford, Milton Keynes and Cambridge. However, commitment is also needed to fund the preferred option.

- **North Downs Rail – from Oxford, through Reading and Gatwick Airport to Ashford in Kent** (existing corridor).

Better direct links between major South East economic centres will improve travel for millions of commuters, businesses and holiday makers, including a step change in public transport access to the UK's second busiest airport at Gatwick. The route also has significant potential to relieve pressure on rail congestion in London by removing the need for travellers to change trains in London when moving from one part of the South East to another.

- 2.4 Together these three east-west routes will form a network linking the South East's many important towns and business centres without the need for travellers to journey via central London. This will both speed up journeys within the South East and relieve pressure on London's transport network. It will, of course, also help boost the South East's own significant economies by improving links between key business areas and housing locations, opening up potential for trade and commuting links within the South East rather than adding to congestion within London.

### **Local Enterprise Partnership support**

- 2.5 Many elements of these headline projects are also identified in LEP Strategic Economic Plans (SEPs), which highlight where improvements are needed within each LEP area to remove constraints on economic growth. This *Missing Links* report consolidates needs identified by multiple LEPs and local authorities to present a strategic, cross boundary picture of the South East's top shared transport investment requirements. The headline projects feature in SEPs across the South East as follows:

- **A34/M3/M40 and rail links to Southampton-Portsmouth.** Elements of these routes appear in SEPs from Enterprise M3, Oxfordshire, Solent, Thames Valley Berkshire and Thames Valley Buckinghamshire.
- **A2/M2 – links to the Channel Tunnel and Dover.** This is included in the SEP from South East LEP.
- **A27/M27/A259 – from Dover to Southampton and Portsmouth.** Elements of this route appear in SEPs from Coast to Capital, Solent and South East LEP.
- **North Downs Rail.** Elements of this route appear in SEPs from Coast to Capital, Enterprise M3 and Thames Valley Berkshire.

**We strongly support inclusion of elements of our five headline schemes in the LEPs' work but call on Ministers to work with us to develop a comprehensive package for each of these routes that takes account of investment needs that cross administrative boundaries.**

### 3. More detail on the South East headline five

#### North-south routes

- **A34/M3 and South West mainline to Southampton**

Local authority areas include: Oxfordshire County Council, Oxfordshire districts, West Berkshire, Hampshire County Council, Hampshire districts, Portsmouth, Southampton. LEPs: Enterprise M3, Oxfordshire, Solent, Thames Valley Berkshire.

Improvements	<ul style="list-style-type: none"> <li>• <b>Improve junctions and capacity along the A34/M3</b></li> <li>• <b>Improve rail route to Southampton and Portsmouth</b></li> </ul>
Benefits	<p>The changes would deliver better access to the ports of Southampton and Portsmouth, Southampton Airport and neighbouring economies in South Hampshire and Isle of Wight.</p> <p>Southampton Port is planning for 204% container growth and 173% growth in cruise passengers by 2030. It is currently the UK's second largest container port handling 44m tonnes of cargo each year and the largest cruise port. Recent figures show the maritime economy in the Solent area supports 77,000 jobs. Expansion will increase direct and indirect employment.</p> <p>Portsmouth Port plans to grow its number of cruise and ferry passengers. A large percentage of these passengers come from the West Midlands using the A34/M3 and rail routes. Portsmouth has also seen an increase in freight services to Spain from the Midlands and North and expects this growth to continue. Rail distribution of fruit from Portsmouth is currently under investigation by a number of importers, following a successful trial by Fyffes.</p> <p><b>Road:</b> The A34 and M3 route is an important freight and passenger link to the midlands and north. The route also supports the nationally significant Science Vale Enterprise Zone, which currently employs over 13,000 people in one of the UK's leading R&amp;D centres. Improvement to the A34/M3 Junction 9 is the top priority for both the Enterprise M3 LEP and the Solent LEP.</p> <p><b>Rail:</b> Improved rail access to the ports for freight traffic will reduce road congestion, help manage environmental impacts and support expansion plans, including Southampton's aim to increase containers arriving by rail from 25% to 40% by 2030. This would form part of a rail 'electric spine' linking Southampton and the midlands.</p> <p>Co-ordinating rail improvements with electrification of Great Western Main Line will also help increase capacity through Reading station. Upgrades to passenger rail services are also needed but need to be compatible with plans for the South West mainline to maintain connectivity between different rail routes.</p>
Indicative costs	<p>A34 improvements: up to £750m-£1bn for solutions within Oxfordshire</p> <p>M3 junction 9: £50m - £100m</p> <p>Midlands to Southampton electric spine: £4.2bn</p>

## North-south routes continued

- **A2/M2 – Kent routes to the Channel**

*Local authority areas include: Kent County Council, Kent districts, Medway. LEP: South East LEP.*

Improvements	<ul style="list-style-type: none"><li>• <b>Maintain &amp; improve the M2/A2</b> A number of junction upgrades on the M2 and M20 are required, as well as dualling of the remaining single carriageway sections of the A2 and realignment of the A249.</li></ul>
Benefits	<p>Improved capacity on this strategic corridor through Kent which carries a high proportion of international traffic vital to the UK economy, equating to £150bn of UK/European trade each year. These improvements will significantly increase the benefits of the already-planned additional Lower Thames Crossing, providing seamless access to the Channel Tunnel and Dover for hauliers and holiday makers from the midlands and north. It will also reduce damaging congestion affecting Kent businesses and residents.</p> <p>Provision of additional overnight lorry parking and a package of on-and-off-highway solutions to minimise the occurrence and impact of Operation Stack are also essential to help support this vital road link and provide network resilience in the national economic infrastructure (see also para 1.17).</p>
Indicative costs	£0.5 - £1billion

## East-west routes

- **M27/A27/A259**

*Local authority areas include: Kent County Council, Kent districts, East Sussex County Council, East Sussex districts, Brighton & Hove, West Sussex County Council, West Sussex districts, Hampshire County Council, Hampshire districts, Portsmouth, Southampton. LEPs: Coast to Capital, Solent, South East LEP*

Improvements	<ul style="list-style-type: none"> <li>• <b>Upgrade the A27/M27/A259 road corridor to improve capacity and reduce bottlenecks/ congestion.</b></li> </ul>
Benefits	<p>Better links along the south coast corridor will deliver improved road access for passengers and freight to the ports at Dover, Portsmouth and Southampton.</p> <p>Upgrading the A27/M27/A259 along the south coast would support economic growth in the coastal and university towns through West Sussex and growth areas in East Sussex. Long distance road and rail business traffic needs quicker, more reliable journeys between growth or regeneration areas such as Eastbourne and Hastings, and major ports including Newhaven, Shoreham, Portsmouth and Southampton. Current plans deal with the route in a piecemeal way which will not deliver the full benefits of a strategic approach to improvements along the full length of the route.</p> <p>This orbital route improvement will reduce congestion on the M25 and trains travelling via central London by offering viable alternative routes to south coast ports and Gatwick airport.</p> <p>Investing in better coastal rail services should also be considered to help make train travel an attractive alternative to road use. Slow journey times and multiple changes currently make rail travel between Dover and Southampton extremely unattractive as it would involve 3-4 changes over some 5 hours.</p>
Indicative costs	<p>A27: £200m plus Lewes-Polegate £300m  M27: managed motorway £260m and widening £1.6bn</p>

## East-west routes continued

- **Oxford to Cambridge, including improved A34/M40 link** (new corridor)

*Local authority areas include: Oxfordshire County Council, Oxfordshire districts, West Berkshire, Buckinghamshire County Council, Buckinghamshire districts and beyond*

Improvements	<ul style="list-style-type: none"> <li>• <b>New strategic highway between improved A34 and M40, including new or improved A34/M40 junction, then new strategic highway linking M40 to M1 and on to Cambridge</b></li> <li>• <b>Improved strategic linkages with emerging East-West Rail</b></li> <li>• <b>Promoting and supporting development of new mobility technology to increase efficient use of road network – eg autonomous vehicles and embedded sensors to help real time monitoring and maintenance.</b></li> </ul>
Benefits	<p>Capacity improvements for freight using both road and rail between Oxford and Cambridge. A new motorway link for A34 and M40 and a new onward route to Cambridge will open up significant opportunity to link new growth areas in Oxfordshire (eg the 'Knowledge Spine' from Didcot to Bicester), Buckinghamshire, Bedfordshire and Cambridge. It will also open up potential new growth areas along this route.</p> <p>Investment in technology innovation will also help deliver opportunities for South East business and inward investment. It would also help further improve UK PLC's position as a leader in the intelligent mobility market, which is valued by the Transport Systems Catapult at £250bn by 2020.</p>
Indicative costs	Feasibility and Options study underway.

## East-west routes continued

- **North Downs rail line**

*Local authority areas include: Oxfordshire County Council, Oxfordshire districts, Reading, Surrey County Council, Surrey districts, West Sussex County Council, West Sussex districts, Kent County Council, Kent districts. LEPs: Coast to Capital, Enterprise M3, Thames Valley Berkshire.*

Improvements	<ul style="list-style-type: none"> <li>• <b>Develop the Ashford/Redhill/Reading/ Oxford rail corridor as a strategic route, including train lengthening, a Redhill flyover and electrification of the North Downs Line.</b></li> </ul> <p>Improvements on this line should link to the proposed East-West rail at Reading.</p>
Benefits	<p>This route has potential to improve commuter, leisure and business access to and between key South East employment and retail centres - such as Oxford, Reading, Guildford, Redhill/Reigate, Ashford and Gatwick airport. Significant employment growth is forecast in these areas over the next 20 years.</p> <p>Electrification would improve integration with the rest of the network. Faster operating speeds would cut journey times on the line and allow additional services. This package, supplemented by longer trains and new rolling stock, would encourage modal shift to rail for journeys across the South East. The route also has significant potential to release capacity on train routes to and from central London and relieve congestion on the M25 by providing direct rail routes with no need to change trains in central London.</p> <p>Addressing local road delays caused by level crossings on the route is also required – for example to avoid traffic congestion stretching from Reigate town centre to the M25.</p> <p>Development of this line also has potential to provide better commuter and business links to areas of the South East such as Reading and Hastings. Links to the proposed East-West Rail at Reading will see orbital services from Reading to Bedford, via Oxford (and beyond in the long term). Improving rail links between Ashford and Hastings will further extend connectivity into East Sussex, helping to provide access to educational, cultural and visitor attractions and to stimulate growth in an economy that is still significantly underperforming.</p> <p>Upgrading the North Downs Line will extend viable rail routes around the south west of London and into Kent, with potential to provide connections to HS1 rail and the Channel Tunnel.</p>
Indicative costs	<p>Train lengthening: present value of costs, accounting for operating costs and fare income, is estimated at £6.5m (2002) over a 30 year period. Present value of Rail User and Non-User benefits estimated at £10.7m. Net benefit: £4.2m over 30 years.</p> <p>Electrification: Cost of electrification is estimated to be in the region of £1m per kilometre, totalling £60m-80m.</p> <p>Redhill Flyover: £40m – 60m.</p>

## 4. Building from council and LEP work to identify South East priorities

- 4.1 As a large, varied, highly populated and economically successful area of some 8.9 million people, the South East has significant transport investment needs.
- 4.2 The local authorities in membership of SEEC and SESL work closely with partners to take forward projects that will deliver local benefits. LEPs are important partners and there continues to be considerable joint work by councils and LEPs to identify local transport investment priorities that will support housing and employment growth within their own boundaries.
- 4.3 Rightly, the focus of funding via LEPs and councils is on transport schemes that will deliver local benefits. Inevitably, however, these local projects will not address the major strategic, cross-boundary transport problems in the South East that affect access to the South East's gateway ports and airports for businesses UK-wide. Many LEPs and local authorities address parts of the strategic routes so this report pulls together the key cross boundary projects, presenting them as strategic routes rather than a series of individual elements. Input from technical officer group SEDEEPT (South East Directors of Environment, Economy, Transport and Planning) has also been vital in developing and sense-checking this list of five key priorities.
- 4.4 South East councils are also working with the GLA and TfL in London to try to ensure that projects such as the Crossrail 2 regional route delivers benefits for both London and the South East. However, unless the South East's lack of access to funding is addressed, it is currently unlikely that South East local authorities will be in a position to make significant financial contribution to the project.
- 4.5 Building on individual councils' and LEPs' work, this *Missing Links* report sets out the South East's top five strategic transport investment needs. In response to Government's request for prioritisation of South East transport needs, this report builds on our 2014 Mind the Gap work to highlight the five projects that we believe will do the most to support economic growth – both within the South East and by improving national access to our ports and airports.
- 4.6 Outside these five projects, South East local authorities remain concerned about an ongoing deficit in infrastructure investment that risks damaging local and national economic potential. While there is high level agreement that funding priority should be given to the five projects listed in section 3, Government investment should also be considered for the following strategic needs:
- Improvements to the M25, particularly at major intersections and how to improve capacity on the South West section of the motorway that links Gatwick and Heathrow.
  - Improvements to the A3 corridor linking London and Portsmouth via the major employment centre of Guildford.
  - Better road and rail links to the Hastings regeneration area, including improvements to the A21.
  - Improving rail and road access to Gatwick Airport – increasing capacity on the Brighton Mainline and M23 as well as investing in alternative routes to improve resilience.
  - Extending the Dunstable bypass to Aylesbury to link this growth area to the M1.
  - A new junction on the M40 between existing junctions 3 and 4 to open up significant development sites.





**January 2016**

**South East England Councils**

**South East Strategic Leaders**

**South East Directors of Environment, Economy, Planning and Transport**

*This report sets out proposals for the top five strategic, cross-boundary transport investment needs in South East England as the engine room of the UK economy. While there remain many other South East transport needs, these five top priorities have been endorsed by South East England Councils (SEEC), South East Strategic Leaders (SESL) and South East Directors of Environment, Economy, Planning and Transport (SEDEEPT). Together our three organisations represent the views and interests of all tiers of local government across the South East, representing 8.9 million residents.*