

REGENERATION, CULTURE AND ENVIRONMENT OVERVIEW AND SCRUTINY COMMITTEE

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TRANSPORT FOR THE SOUTH EAST – STRATEGIC INVESTMENT PLAN

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Summary

The purpose of this report is to set out Transport for the South East's (TfSE) work in preparing the Strategic Investment Plan (SIP). The SIP will be considered at a TfSE Partnership Board meeting in March 2023 before being submitted to Government. As one of 16 constituent authorities, the SIP needs to be considered by Cabinet on 7 February for approval before March 2023.

1. Budget and policy framework

- 1.1. The SIP has been produced by TfSE in consultation with constituent authorities and other stakeholders. TfSE's Transport Strategy aligns with the Medway Council Strategy 2022 to 2023 to maximise regeneration and economic growth.
- 1.2. TfSE has an annual subscription for constituent authorities, with unitary authorities contributing an annual subscription of £30,000. The Council also contributes officer time to participate in TfSE meetings.

2. Background

Work towards the Strategic Investment Plan

- 2.1. TfSE is the sub-national transport body for the South East of England. Its purpose is to determine what investment is needed to transform the region's transport system and drive economic growth.

- 2.2. TfSE was established in 2017. It is a partnership of 16 local authorities¹, representatives of district and borough authorities, five Local Enterprise Partnerships (LEPs), and protected landscapes and national delivery agencies. By speaking with one voice on our region's transport priorities, TfSE can make a strong case to Government for investment.
- 2.3. TfSE published a Transport Strategy in June 2020. The Transport Strategy sets out an ambitious vision to 2050 and a framework that will support the development of a modern, integrated and sustainable transport network.
- 2.4. TfSE has developed a series of area studies. These studies have been based on the most important economic corridors to investigate the issues, challenges and opportunities identified in the Transport Strategy. This identified interventions to make life better for people, businesses and the environment.
- 2.5. TfSE has organised briefings to support constituent authorities in preparing a Bus Service Improvement Plan, which sets out how the local transport authority will work closely with local bus operators and local communities to deliver improvements to bus services.
- 2.6. In addition to the area studies, further work has been undertaken on a Future Mobility Strategy and a Freight, Logistics and International Gateways Strategy. The evidence from all these studies has been used to inform the SIP.

Strategic Investment Plan

- 2.7. The SIP forms the final part of the Transport Strategy and is a blueprint for £45bn of investment in strategic transport infrastructure over the next 30 years. It makes a strong case for investment to the Treasury and the Department for Transport. It has been designed to be accessible to communities across the region.
- 2.8. The SIP is the culmination of five years of technical work, stakeholder engagement and institutional development. It is underpinned by a credible, evidence based technical programme.
- 2.9. The SIP is aligned with and supports wider policy and Government priorities at multiple levels and across multiple transport modes.
- 2.10. The transport interventions included in the SIP have the potential to generate 25,000 new jobs and to contribute an additional £4.5bn growth in gross value added (GVA) per year against the 'business as usual' scenario. It will have an impact on daily journeys, supporting 500,000 more rail trips and 1.5 million more journeys by bus and ferry.

¹ Bracknell Forest, Brighton and Hove, East Sussex, Hampshire, Isle of Wight, Kent, Medway, Portsmouth, Reading, Slough, Southampton, Surrey, West Berkshire, West Sussex, Windsor and Maidenhead, and Wokingham.

- 2.11. The SIP comprises six sections which guide the reader through the development of the ambitious programme. A summary of the content is set out below. The SIP document itself is presented at Appendix A.
- 2.12. The SIP provides an overview and policy context before setting out the benefits of investing in the South East and 30 packages of interventions.
- 2.13. The packages are split into two groups:
 1. Six Global Interventions consisting of national regulatory and policy activity.
 2. 24 Place-Based Interventions presented at a sub-regional level.
- 2.14. The credibility of the SIP needs to be underpinned by a pragmatic consideration of how it will be paid for. The main financial challenge will relate to funding (i.e. how the projects are paid for over time). This will involve making best use of funds that can be directed from Government and identifying new and innovative approaches.
- 2.15. The final chapter of the SIP focuses on delivery and governance.

3. Consultation

Overview

- 3.1. The public consultation on the draft SIP started on 20 June 2022 and ended on 12 September 2022.
- 3.2. An online survey recorded responses about demographics, type of stakeholder, geographical area and comments on the SIP.
- 3.3. There were 640 responses to the consultation. All responses have been considered and the following provides a short summary of the overall key findings from the consultation:
 - Support shown to investment proposals to improve public transport in the South East.
 - Respondents welcomed the focus on active travel schemes.
 - Respondents welcomed the recognition of the need to tackle climate change.
 - Of those respondents that participated via the survey, 49% of respondents agreed that the SIP makes the best case possible for investing in transport infrastructure in the South East.
- 3.4. Although 'decarbonisation and the environment' was selected as the most important overall investment priority for the SIP to deliver, qualitative responses to the same question showed that support for other investment priorities was also considered important. This highlighted that TfSE should prioritise improvements to public transport, in turn reducing car use and tackling climate change.

- 3.5. When asked to what extent they agreed that the packages of interventions delivered on the priorities of the SIP, 42% somewhat or definitely agreed for Kent, Medway and East Sussex, with 26% definitely disagreeing.
- 3.6. The most contentious geography in terms of proposed interventions is the Kent, Medway and East Sussex area due to the strength of feeling around the proposed Lower Thames Crossing scheme.
- 3.7. Feedback from the more detailed questions demonstrated that for Kent, Medway and East Sussex there was a broader range of support across multiple interventions, with just a few percentage points between rail schemes as the top priority, highway interventions coming second (the only geography where highway schemes weren't given the lowest priority) and high-speed rail as the third most supported. These were very closely followed by active travel and mass transit interventions.

The Council's response to the SIP consultation

- 3.8. The Council submitted a supportive but cautious response to the SIP consultation, given that the interventions are mostly conceptual. For reference, the Council's response to the SIP consultation is presented at Appendix 2.
- 3.9. It is difficult to read the SIP from the perspective of Medway alone. The interventions are presented in packages intended to benefit the region as a whole. For reference, Appendix 3 summarises the most relevant interventions for Medway.
- 3.10. Among the 20 interventions identified as most relevant to Medway, 17 are at pre-Strategic Outline Business Case stage, and would need to be subject to feasibility studies to warrant any further consideration in relation to the priorities of the SIP.
- 3.11. In response to the SIP consultation, the Council supported the level of ambition and welcomed ongoing engagement. The implementation timeframes for all except one intervention are in the medium-term, i.e. in the 2030s, with almost half in the short-term, i.e. 2020s. The lead-in time to deliver these interventions would require significant investment in strategic planning resources across the region.
- 3.12. Further information is required to understand the underlying assumptions for land availability in Medway in TfSE's South East Economy and Land Use Model. These assumptions should be aligned with the scale of growth in the emerging Local Plan.

4. Options

4.1. As a constituent authority, the SIP needs to be considered by Cabinet on 7 February for approval before the TfSE Partnership Board meeting in March 2023.

4.2. There will be two options for consideration by Cabinet:

- A. Cabinet approves the SIP.
- B. Cabinet rejects the SIP.

4.3. Under Option A, the Council would be a key delivery partner, working with TfSE, constituent authorities and other delivery partners to shape a delivery plan which will set out how the schemes and interventions in the SIP will be implemented.

4.4. Under Option B, the Council would not be able to support the SIP at the TfSE Partnership Board meeting in March 2023 and would not be part of the submission to Government.

5. Advice and analysis

5.1. The period between now and the end of February is for constituent authorities to take the final document through their democratic processes; it is not an opportunity for further consultation. However, ongoing engagement in TfSE work will ensure the Council can influence the implementation of the SIP and fulfil its role as a constituent authority. TfSE have offered to arrange a briefing on the SIP interventions, if required.

5.2. The highway capacity of M2 Junction 1 has emerged as a strategic planning matter following the planning application for MedwayOne (former Kingsnorth Power Station). M2 Junction 1 would be rebuilt as a result of the proposed Lower Thames Crossing (LTC), which is included in the SIP. However, if the LTC does not get built, there is no scheme in the pipeline for M2 Junction 1, even though National Highways is concerned about both congestion and safety at Junction 1. Council officers are working with National Highways and other stakeholders on this matter.

5.3. National Highways is not committing to any direct additional funding for mitigation on the wider road network through the LTC application. Instead, National Highways refer to existing investment processes and collaborative work with local authorities. This provides little certainty that local impacts will be mitigated, however TfSE could help to engage with other stakeholders to identify funding opportunities for the M2 corridor.

5.4. The SIP could help to secure significant investment in Medway's transport infrastructure.

6. Risk management

6.1. TfSE considers that there are few risks to the Council in approving the SIP, however the following risks have been identified:

Risk	Description	Action to avoid or mitigate risk	Risk rating
The Council rejects the SIP.	The Council would not be able to support the SIP at the TfSE Partnership Board meeting in March 2023 and would not be part of the submission to Government.	Approve timetable towards Cabinet, allowing sufficient time to respond to questions and to seek clarification from TfSE, as required.	D2
Lack of funding for implementation	Some interventions may require developer contributions, which could impact on development viability. However, there is a tension between mitigating the impact of new development (and Section 106 tests) and interventions that address existing problems.	Ongoing engagement with TfSE in the SIP implementation and internal reporting.	C2
Lack of confidence in the SIP.	The SIP interventions relevant to Medway are conceptual and the implementation timeframes appear to be challenging.	Ongoing engagement with TfSE in the SIP implementation and internal reporting.	E4

Likelihood	Impact:
A Very high	1 Catastrophic (Showstopper)
B High	2 Critical
C Significant	3 Marginal
D Low	4 Negligible
E Very low	
F Almost impossible	

7. Climate change implications

7.1. TfSE's vision specifically refers to a net zero carbon region by 2050.

7.2. Among eight investment priorities, the SIP will accelerate decarbonisation of the South East to deliver a transport network that is more resilient to extreme weather and the impacts of a changing climate.

7.3. The interventions set out in the SIP have the potential to reduce the amount of CO2 emissions by 1.4 mega tonnes each year in supporting a pathway to reach net zero.

8. Financial implications

8.1. TfSE has an annual subscription for constituent authorities, with unitary authorities contributing an annual subscription of £30,000. The Council funds this subscription from the Transport and Parking Service budget.

8.2. The Department for Transport has awarded grant funding of over £3m in the last two financial years, which has been used to support the development of the technical programme and, more recently, for staffing costs. The Department for Transport has provided an indicative funding allocation for the next two financial years, which will support the implementation of the SIP.

9. Legal implications

9.1. The statutory basis for sub-national transport bodies is set out in Part 5A of the Local Transport Act 2008, as amended by the Cities and Local Government Devolution Act 2016. The Secretary of State may grant TfSE statutory status in future. Therefore, the SIP is a non-statutory document and there are no legal implications arising from the SIP.

10. Recommendation

10.1. The Committee is asked to consider the Strategic Investment Plan (SIP), set out at Appendix 1 to the report and forward any comments to Cabinet.

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Appendices

Appendix 1 - Final SIP

Appendix 2 - Medway Council's response to the SIP consultation

Appendix 3 - Summary of relevant interventions

Background papers

None