



**DRAFT REGIONAL TRANSPORT STRATEGY  
PUBLIC EXAMINATION**

**WRITTEN SUBMISSION  
FOR**

**SESSION G: IMPLEMENTATION AND RESOURCES**

## Question 16

**Are transport priorities sufficiently identified in terms of both capital and revenue elements? If not, what are the top priorities for this region, bearing in mind the criteria in Policy T4 and the spatial priority areas in RPG9?**

1. The draft Regional Transport Strategy (RTS) sets out the role of the transport system in supporting delivery of the overall strategy identified by the Secretary of State in RPG9. The sub-regional areas set out in Regional Planning Guidance for the South East (RPG9) are the focus of the spatial strategy and have accordingly been used as the focus for presenting the investment requirements for the region. Policy T1, and not T4, forms the overarching policy within which investment requirements for the draft RTS have been developed. The investment priorities identified in RPG9 were used as a starting point for the preparation of the investment frameworks in the draft RTS.
2. The Multi-Modal Studies (MMSs) have identified the investment requirements necessary in order to address some of the problems on the transport system and these outputs have been used to inform the development of the investment frameworks. The outputs from the studies into the major growth areas have similarly been fed into the investment frameworks and are reflected in the emphasis given in the strategy to schemes in these areas.
3. A number of the investment requirements included within the frameworks are at an early stage in their development. Accordingly further work will need to be undertaken by the delivery agencies to develop the detail of the proposal. The Regional Assembly will continue to work closely with these agencies as this work is undertaken in order to ensure that the original objective associated with each scheme continues to be satisfied.
4. In developing the investment frameworks the Regional Assembly sought guidance from the Government Office for the South East (GOSE), Highways Agency and Strategic Rail Authority (SRA) as to the level of funding that might reasonably be expected to form the financial framework for future investment in the region. However the advice available provided no amplification beyond that publicly available as part of the Government's 10 Year Transport Plan.
5. One of the criticisms of the MMS programme has been the lack of clarity regarding the financial framework within which the study recommendations needed to be developed. A similar comment holds true in respect of the draft RTS. In the absence of even an indicative figure for the total level of funding that might be available at the regional level, prioritisation of the investment requirements not feasible.
6. An estimate of the total capital cost of the investment requirements has been included within the supporting statement. The capital cost represents an appreciable increase on current levels of funding but reflects the need for

substantial and sustained investment in the transport system serving the region if the spatial strategy set out by the Secretary of State in RPG9 is to be delivered. At approximately 1.2% of the region's GDP the average rate of investment proposed is comparable with that of member states across the European Community. Given the historic under investment in transport infrastructure within the region the Regional Assembly considers the level of investment identified as reasonable.

7. As part of the implementation plan for the draft RTS the Regional Assembly has established, in partnership with South East England Development Agency (SEEDA) and GOSE, a Regional Co-ordination Group. The terms of reference and notes of the first meeting of this Group have been submitted to this Public Examination. Taking the investment frameworks set out in the draft RTS the Co-ordination Group has identified 16 priority transport projects for the region. In the absence of guidance from the Department for Transport the schemes were agreed on the basis of a collective assessment of the investment frameworks.
8. The Regional Assembly particularly welcomes the opportunity to discuss the revenue element required in order to support the delivery of the draft RTS, and by implication the spatial strategy in RPG9. The draft RTS promotes a rebalancing of the use of the transport system. With a shift in travel mode must come the recognition by Government that resources previously provided as capital investment must continue to be provided in the form of revenue investment if their national policy of a modal shift, as set out in the Transport White Paper is to be successfully delivered.
9. Unfortunately in practice the Government has so far conspicuously failed to address the "capital rich/revenue poor" issue that faces transport delivery agencies. While there are clearly established mechanisms by which local transport authorities can make the case for additional capital funds, there is no effective mechanism through which additional revenue investment can be secured.
10. This difficulty was brought sharply into focus when West Sussex County Council had its request for additional revenue funding to support implementation of local bus measures endorsed in principle by the Secretary of State as part of the A27 Worthing to Lancing integrated transport study turned down on the basis that any additional funding required would have to be found by reprioritising from within its existing revenue allocation.
11. Provided the Government provides a more positive climate, the specific balance between capital and revenue investment in the transport system serving a specific area is best resolved in detail, and at the local level. By introducing the Mobility Management approach as an integral element of the draft RTS the Regional Assembly has identified a mechanism that could be used by a local transport authority to justify the basis of its proposed capital/revenue split.

## Question 17

**Are the proposed sources of capital and revenue funding sufficiently firm and are they likely to be adequate to deliver the objectives of the strategy? What would be the implications of less funding than assumed in the strategy?**

12. At present the primary source of capital funding is the Government's 10 Year Transport Plan. Although the overall level of funding is subject to regular review as part of the Comprehensive Spending Review, overall the 10 Year Plan provides a greater degree of certainty than has previously been the case.
13. However the Department must exercise greater flexibility within that budget. The 10 Year Plan included a commitment to review the budget allocation between modes in light of the outputs from the MMSs. Rather than exercising this flexibility the Department now appears to view the budget allocations as fixed. A case in point is the funding for the rail system. Here the Department's inflexibility has created a situation wherein the SRA is unable to consider any additional proposals over and above those already identified even when such proposals are consistent with the Government's overall transport policy.
14. The draft RTS has served to highlight the need for substantial and sustained investment in the transport system within the region if the spatial strategy set out within RPG9 is to be successfully delivered. In considering the implementation of proposals for the major growth areas a central concern of the Assembly is that without greater assurances of funding for the supporting infrastructure, especially transport, the growth aspirations will not be deliverable. The Assembly is therefore seeking specific commitment by Government departments and delivery agencies in support of these proposals.
15. The inadequacy of revenue funding was emphasised in relation to Question 16, and is repeated here.
16. The Regional Assembly nevertheless recognises that the pressures on national budgets will continue to exist and accordingly has been looking at alternative sources of funding as a means of supporting delivery of the draft RTS. In particular it is actively looking at the opportunity that exists within the region to "capture" some of the uplift in land value that investment in the transport system gives rise to. Such an approach directly links investment in the transport system with delivery of the spatial strategy and as such has the potential to be a "win-win" situation. Initial research for the Assembly by Erail Limited has shown that this technique could be applied in the region and the Regional Assembly is now looking to identify specific proposals that might benefit from its application.
17. Less funding will mean that less investment is made in the transport system. However the pressures arising on that system as a consequence of the spatial strategy will not be reduced. Levels of congestion on our roads and overcrowding

on our rail services will increase. The region's transport system will become less reliable, adversely affecting the performance of the regional economy with all the potential impacts that would bring for the UK economy. A failing and increasingly unreliable transport system would also have an adverse impact on the quality of the environment, both natural and built, and reinforce current social inequities.

18. Past inadequate levels of transport investment mean that, at critical growth points across the region, transport infrastructure is unable to support further growth. A failure to provide the necessary investment will therefore call into question the delivery of both the levels of economic and housing growth proposed in RPG9 and the intended spatial distribution.

### Question 18

**Are the schemes listed in the sub-regional investment frameworks the most appropriate ones to deliver the policies in the RTS? Do they pay sufficient regard to the investment and management priorities emerging from the recent multi modal studies?**

19. Annex I contains replacement investment frameworks for consideration by this Public Examination. These frameworks reflect the current position in respect of the various MMS and area growth studies.
20. The MMSs were undertaken within the planning context set by RPG9 and as such they provide an indication of the transport investment required in order to support delivery of the spatial strategy. The Assembly has submitted a paper to this Public Examination in which the linkage between the MMSs and the draft RTS is set out. However, it should be borne in mind that the genesis of the MMSs was the need to examine multi modal solutions to problems on the trunk road network. As such they are but one input into the development of the investment frameworks. In addition not all of the sub-regional areas identified in RPG9 have benefited from extensive examination as part of a planning or transport study; the Thames Gateway being a particular case in point.
21. A key consideration with all of the investment frameworks, and one reinforced by the MMSs, is the need for them to be implemented as a package. While it is acknowledged that overall the balance of the package must be shown to represent good value for money, it must be recognised that within that package there may be certain elements that when assessed on an individual basis appear to be sub-optimal.
22. By way of illustration, the rail measures proposed as part of the South Coast Corridor MMS are an integral element of the overall package of investment required to support the economic regeneration of the South Coast. If assessed under the SRA's current appraisal criteria their economic benefit is marginal. However when assessed in the context of the wider strategy package recommended by the MMS, a package that includes significant restraint measures (including proposals for cordon charging), the economic case for those self same rail schemes is substantially improved. This serves to illustrate how the investment

frameworks need to be looked at in the context of the development of the transport system and development needs as a whole, and not as a series of individual networks.

### **Question 19**

**Are the sub-regional investment frameworks clear in terms of what actions are required by whom and when – and is the commitment of the implementing agencies also clear?**

23. Implementation of the draft RTS is seen as a priority for the Regional Assembly. The investment frameworks have been developed in light of the advice set out in the Department's Guide to Producing Regional Transport Strategies. The frameworks identify the key delivery agency for each proposal, whose advice the Regional Assembly has been sought on the phasing of each proposal.
24. Reference has previously been made to the work of the Regional Co-ordination Group in this respect. In addition policy T19 sets the context within new and innovative delivery mechanisms at the sub-regional level operating on a partnership basis across administrative boundaries should be set up to assist in the implementation of the draft RTS. Reference is made within the draft RTS to the work already underway in the South Hampshire sub-region, and discussions are underway in respect a possible new transport partnership in the Thames Valley. New mechanisms are also being established to support delivery of the proposals associated with Milton Keynes and Ashford, and are already partially in place in the Thames Gateway.
25. The Regional Assembly has an extremely positive working relationship with the Highways Agency and the investment frameworks benefit from the agency's advice on its current priorities and the pressures arising from the spatial strategy in RPG9 that need to be taken into consideration. In contrast the engagement of the Strategic Rail Authority has been less satisfactory. The current Directions and Guidance issued by the Secretary of State to the SRA fail to give sufficient account as to the importance of ensuring that the development of the rail network complements and supports the delivery of RPG9, a failure that is compounded by the SRA's focus on the need to deliver the national targets for rail growth. The recent changes within the SRA and the creation of a specific planning function is therefore welcomed by the Regional Assembly as a positive step forward.
26. A key sector that has yet to be effectively engaged is the coach and bus sector. The draft RTS identifies the need to rebalance the transport system and subsequent work has shown the significance of the potential that exists. The Regional Assembly is working closely with the Government Officer and other key stakeholders in order to unlock this potential and it in context with leading express coach companies, but more action and more practical support from Government is needed.

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