

# HAMPSHIRE COUNTY COUNCIL

## Decision Report

<b>Decision Maker:</b>	Executive Lead Member for Transport and Environment Strategy
<b>Date:</b>	3 October 2022
<b>Title:</b>	TfSE Strategic Investment Plan Consultation
<b>Report From:</b>	Director of Economy, Transport and Environment

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### Purpose of this Report

1. The purpose of this report is to seek approval for a response to the consultation on the draft Transport for the South East (TfSE) Strategic Investment Plan.

### Recommendation

2. That the Executive Lead Member for Transport and Environment Strategy approves the response set out in this report and delegates authority to the Director of Economy, Transport, and Environment to finalise and submit the detailed consultation response.

### Executive Summary

3. This paper sets out the background to Transport for the South East (TfSE) and the current consultation. It outlines the content of the Strategic Investment Plan, particularly as it relates to Hampshire, and highlights key proposals in the document.
4. The report goes on to set out a proposed consultation response and to outline the way forward, beyond consultation.

### Contextual information

5. Transport for the South East (TfSE) is the Sub-National Transport Body (SNTB) for South East England. It encompasses a partnership of sixteen local transport authorities, including Hampshire County Council. Hampshire County Council officers have been actively engaged in the work of TfSE including the preparation of the evidence base in support of the Strategic Investment Plan (SIP). The County Council is also represented on the TfSE Partnership Board.
6. The main role of TfSE is to advise the Government and 'to speak as one voice' on behalf of the region on transport investment priorities. The SIP summarises this as "Our role is to add strategic value to local and national decision making

and project delivery by making sure funding and strategy decisions about transport in the South-East are informed by local knowledge and priorities.”

7. TfSE published a Regional Transport Strategy in 2020. Following on from that there have been a series of area and topic-based studies, which collectively provide the evidence base for and feed into the SIP. The draft SIP is published online at [Transport for the South East - Strategic Investment Plan Consultation | Transport for the South East \(engagementhq.com\)](https://www.engagementhq.com/transport-for-the-south-east-strategic-investment-plan-consultation). The SIP is a key document for the region and its purpose is described as “providing a framework for investment in strategic transport infrastructure, services and regulatory interventions in the coming three decades”.
8. An Integrated Sustainability Appraisal (ISA) has been prepared to support the SIP. This includes full environmental and equality assessments of the proposals. The preparation of an ISA is a standard process in plan making that helps ensure that decisions are made fairly and contribute to achieving sustainable development.
9. Consultation on the document runs from 20 June 2022 – 12 September 2022. Special arrangements have been made to submit the County Council’s approved consultation response after the formal closing date, should the proposal be approved at the Decision Day on 3<sup>rd</sup> October.

### **Outline of the draft Strategic Investment Plan**

10. The full SIP is a 140-page document including two appendices. The time frame corresponds to the same period as the Regional Transport Strategy running to 2050.
11. At the core of the document are twenty-four packages of interventions, which are described as “opportunities across the key modes or infrastructure networks of rail, mass transit (e.g., buses, ferries), active travel (e.g., walking, wheeling, cycling, horse-riding) and highways”. These are divided into global interventions (covering the whole region) and area-based groupings. The four geographic groupings are ‘Solent and Sussex Coast’, ‘Wessex Thames’, ‘London to Sussex Coast’ and ‘Kent, Medway and East Sussex’. The first two listed are of greatest relevance to Hampshire County Council, and effectively relate to the south and the north of the County, respectively.
12. The Solent and Sussex Coast section includes the following key proposals –
  - South Hampshire Core Rail Package, which sets out proposed investment to support enhancement to services;
  - South Hampshire Enhanced Rail Package, which sets out an ambitious longer-term package aimed at securing ‘urban metro’ service levels;
  - Mass Transit proposals focussed on the two cities of Southampton and Portsmouth but extended into surrounding urban areas;
  - complementary investment in Active Travel; and
  - targeted highway improvements.
13. In combination, the packages for Solent and Sussex Coast are estimated to require capital investment of £11.8billion, with a net increase in economic value of £1.3billion per annum by 2050.

14. The Wessex Thames proposal includes -

- a rail package aimed at delivering transformational change in both orbital and east-west connectivity. This includes electrification of the Basingstoke-Reading line and improved western links to Heathrow;
- Mass Transit and Active Travel measures in and between Basingstoke, Farnborough/Aldershot, Winchester, Andover and with cross-boundary adjoining settlements. It also includes proposals to enhance services linking Alton and Bordon with key cross-boundary locations;
- complementary investment in Active Travel; and
- targeted highway improvements, including M3 junction 9 (noting it as an existing commitment), M3 Junction 7-8 and M3 J9-14 Smart Motorways, although progressing the latter is subject to the outcome of a current Government review of the Smart Motorways programme.

15. In combination, the packages for Wessex Thames are estimated to require capital investment of £10.4billion, with a net increase in economic value of £1.2billion per annum by 2050.

16. The SIP discusses benefits and costs of the packages, funding and financing and delivery. The appendices set out the detail of the proposed interventions and outline the technical work underpinning the document.

17. The total investment required by the SIP as a whole is estimated at £45billion over the 27 years of the plan – this equates to about £1.5billion per annum. The modelling supporting the plan suggests that the transport interventions will generate an additional £4.1billion growth in GVA (Gross Value Added) per annum by 2050. It would accommodate 550,000 additional rail trips and 1.6 million bus, mass transit and ferry trips per day, thereby removing over four million car trips a day. The SIP also highlights that doing nothing is not an option, as this would lead to an increase in car trips of 23% and would not allow carbon reduction targets to be met, with a reduction of only 35% (compared to the 100% target).

### **Proposed Consultation Response**

18. Hampshire County Council welcomes the publication of the Strategic Investment Plan and recognises its importance in articulating the transport infrastructure needs of the South-East. Doing so is a vital first step in delivering the Regional Transport Strategy and in securing investment in transport for the region and in achieving meaningful carbon reduction. The County Council strongly supports the proposals contained in the plan and the corridor packages. In particular it supports the proposals for Mass Rapid Transit and would consider these to be high priority components within the overall package of interventions.

19. Hampshire County Council has been actively engaged in the work pulling together the individual corridor packages and topic specific studies.

Detailed comments are as follows:

20. The SIP has identified that the region will require £45billion over the plan period and a package of improvements that need development. The creation of the package and forward programme is a very welcome achievement. It

establishes the needs of the region and will set TfSE and member authorities up well to plan for the future and seek future funding. Hampshire County Council commends the SIP to Government and looks forward to working with TfSE and member authorities to maintain, update and prioritise the list in the future.

- The total ask is consistent with historic levels of annual regional investment when worked out over the plan period. This seems like a reasonable and realistic ask in this context and also that of wider austerity. The economic case for doing so is well made showing a good rate of return for investment in transport in the South-East. It would be interesting to compare how investment in the South-East ranks with other regions.
- The SIP and the assessment work are predicated on a number of critical assumptions over the plan period to 2050. This includes the introduction by central Government of road user charging/taxation, income from which is expected to be used to reduce public transport fares. The assumptions are listed in what is called the “global package”. The SIP states “We encourage the UK Government to develop a national road user charging system to provide an alternative source of funding to fuel duty and to help manage demand in parallel to integrated local measures”.

It is not unreasonable to assume over the period to 2050 that some form of taxation or new charges will be needed, especially in the context of electrification of the private vehicle fleet and resulting loss of fuel duty income under the current system. At present there are various national tax incentives to operating an electric vehicle. In time and if electric vehicles dominate the vehicle fleet, the assumption that this will change is not unreasonable, especially in terms of lost UK tax revenue from diesel and petrol vehicles.

Road user charges or taxation changes do not form a part of national policy at this time and have not been supported by the County Council to date. Whilst it is clear that national Government need to address the transport investment requirements set out here, to support economic growth and environmental objectives, the promotion of road user charging is not supported at this time, and the strategy should instead refer to the need for additional Government investment funds for transport and infrastructure. There is equally no current direct relationship between motoring taxes and transport funding, and therefore it should not be assumed that any replacement for fuel duty would be directed to transport, or that the loss of fuel duty income would reduce Government funding for transport, including highway maintenance. As the SIP progresses, TfSE will need to keep potential Government funding streams and development of national policy under review, and potentially undertake sensitivity analysis should it not happen, as this is likely to require the strategy and area packages to be reviewed.

The income from taxation is expected to cover the costs of making public transport cheaper. This is a desirable use of such income. However, the County Council again has concerns this may not happen in practice and that

the real terms cost of using public transport, particularly buses, will continue to rise faster than other modes of travel. For example, the County Council recently submitted a bid to Government for funding to make buses better in Hampshire but received a zero Bus Service Improvement Plan settlement. The County Council fully supports the ambition and will work with TfSE to make the case for prioritising investment in public transport.

- The County Council has been well engaged and involved in the development of the corridor packages. Hampshire County Council considers the packages to be extensive and comprehensive. In particular, it welcomes the inclusion of the measures in the two corridor studies most relevant to Hampshire. The County Council considers them as a state in time view of what is needed. However, it is expected that this will change over time and that all the packages will need to be periodically reviewed and reassessed. New schemes may be added when needed or ones which have been delivered removed, and the remaining projects re-assessed against prevailing funding conditions.
- Across the corridor packages there is some inconsistency as to what certain measures mean. For example, the term 'Mass Transit' seems to mean different things in different parts of the region. It is applied to mean a high frequency, high-capacity solution in urban South Hampshire but the term is also used to describe rural inter-urban bus links elsewhere which would be low frequency, slow services with limited demand. There are other similar inconsistencies that stand out when looked at across all corridor packages. The County Council recognises that this is to be expected when dealing with multiple authorities, many of which will have different working definitions. This is not an issue provided that the future mechanism for prioritisation is able to distinguish between such inconsistencies and apply a fair and robust approach to appraisal. Hampshire County Council offers its support to help develop the future prioritisation tool.
- The SIP has identified a large potential programme of scheme development work. TfSE is not a scheme promoter in its own right and so the investment in business cases and scheme development sits with the promoting highway authority/TfSE member. In securing future funding, the County Council requests that TfSE make a case to Government to support scheme development funding to enable the programme to be developed further.
- Hampshire County Council strongly supports the focus on mass transit and public transport. These sustainable modes will need to do the "heavy lifting" in terms of decarbonisation and particularly in enabling the integration of land use and transport planning. In light of this, the County Council would welcome a small change to the text on page 42 of the SIP to reflect that the mass transit proposals for the cities of Portsmouth and Southampton both include the County Council as a major delivery partner and span way beyond the city boundaries. The context of this is that a significant proportion (over 80%) of the 100k homes that the Solent area is expected to deliver by 2039, under the Government's Housing assessment, are within

the Hampshire boundary and not in the Cities. In this context, text which clarifies that investment in mass transit needs to occur outside as well as within the cities would be very welcome. The County Council also welcomes a focus on active travel to support more active lifestyles, place making based on people rather than vehicles, and decarbonisation of shorter journeys.

- The National Highways work looking at the South West Quadrant identified that the stretch of the M25 between the M3 and M4 links and junctions was the busiest section of road network in the UK. Whilst recognising there are no easy solutions to the capacity issue, it remains an unresolved critical network capacity and resilience issue. It is not adequately addressed in the SIP at this time and should be given further consideration as the SIP evolves.
- Proposal R12 - A34. Hampshire County Council welcomes the proposals for Junction and Safety Enhancements to the A34. The County Council understands this includes proposals to deal with the sub-standard gradient issues which cause Heavy Goods Vehicles (HGVs) to block the two running lanes whilst overtaking slowly, which then causes delay and frustration for drivers with potential resultant safety implications. The County Council also welcomes recognition of the need to improve junctions. The County Council would therefore welcome a more comprehensive project description to “A34 upgrade to motorway standard”. The reasoning for this is that there are multiple sub-standard design issues for the A34 including the slip roads that need to be improved, that it is a strategic corridor of national importance for UK imports and exports, and because its improvement and higher status would also reflect the changing role of the A339 to be more of a local road following de-trunking.
- The County Council welcomes the rail package in the Wessex Corridor Study. It has all the core elements of the rail package that the County Council sees as important. However, there is a lack of clarity in the scheme descriptions relevant to a New Rail station at Chineham. Hampshire County Council would welcome reference to the long-standing consideration of the potential for a new rail station at Chineham (north of Basingstoke) possibly as a named element of O3 or O11. It is noted that the diagram on page 59 of the SIP includes a notation ‘O19’ within the Basingstoke area – there is not a corresponding entry in the list of interventions on the previous page.
- It is noted that the focus of the SIP and the packages is on capital schemes at this time. Moving forward there is a need to develop a similar programme of revenue-based programmes of work. Specifically, around behaviour change, mobility as a service, and public transport subsidy if this becomes an option, etc.
- The SIP is concerned with new investments in infrastructure and as such strategic asset management issues are largely out of scope of the SIP as written. It is accepted that a line must be drawn somewhere but adding

additional infrastructure when Government funding for maintaining existing transport assets is woefully inadequate is not seen as a sensible or sustainable position. The County Council would like to see TfSE develop a stream of work that looks at the asset management challenge we all face in a strategic way and supports the need for adequate funding for proper long-term management and maintenance of the railway and highway network, intelligent transport systems and other key transport assets. The need for this is pressing because in real terms, levels of funding for asset management are reducing over time. At the same time, the asset itself is getting bigger and as a region the challenge of adapting existing assets to climate change is a big one with little to no clarity on how to fund such schemes.

### **Next Steps**

21. TfSE will need to review comments received following completion of the consultation. TfSE will make any necessary amendments to the SIP, in response to those comments and proceed to adoption of the document and submission to Government. The programme is to complete that process by March 2023 at a future partnership board. Prior to that it will be reported back to the Executive Lead Member (and/or Cabinet/Council as required) at the appropriate time. The SIP will be a 'live' document once adopted, to ensure that it can respond to changing circumstances and priorities.
22. It is anticipated that Hampshire County Council will consider adopting the SIP once finalised. This will be considered in a report to Cabinet or Council (as appropriate, depending on the final scope and content), which it is anticipated will be early next calendar year (2023).

### **Finance**

23. There are no direct financial implications arising from the proposed response to the SIP consultation. However, the proposals within the SIP could, if supported by Government, bring substantial future investment in transport measures to Hampshire and the South-East. Moving forward, the County Council may choose to develop business cases for some of the schemes in the SIP as a promoting authority.

### **Consultation and Equalities**

24. As referenced in the report, an Integrated Sustainability Appraisal (ISA) has been carried out on the SIP, which included an Equalities Impact Assessment. However, agreeing a response to the consultation has neutral impact on people with protected characteristics.

### **Climate Change Impact Assessments**

25. As referenced in the report, an Integrated Sustainability Appraisal (ISA) has been carried out on the SIP, which included a Climate Change Impact Assessment. However, agreeing a response to the consultation has no climate change impacts.

**REQUIRED CORPORATE AND LEGAL INFORMATION:**

**Links to the Strategic Plan**

<b>Hampshire maintains strong and sustainable economic growth and prosperity:</b>	yes
<b>People in Hampshire live safe, healthy and independent lives:</b>	yes
<b>People in Hampshire enjoy a rich and diverse environment:</b>	yes
<b>People in Hampshire enjoy being part of strong, inclusive communities:</b>	yes

**Section 100 D - Local Government Act 1972 - background documents**

**The following documents discuss facts or matters on which this report, or an important part of it, is based and have been relied upon to a material extent in the preparation of this report. (NB: the list excludes published works and any documents which disclose exempt or confidential information as defined in the Act.)**

Document

Location

None



## **EQUALITIES IMPACT ASSESSMENT:**

### **1. Equality Duty**

The County Council has a duty under Section 149 of the Equality Act 2010 ('the Act') to have due regard in the exercise of its functions to the need to:

- Eliminate discrimination, harassment and victimisation and any other conduct prohibited by or under the Act with regard to the protected characteristics as set out in section 4 of the Act (age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation);
- Advance equality of opportunity between persons who share a relevant protected characteristic within section 149(7) of the Act (age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex and sexual orientation) and those who do not share it;
- Foster good relations between persons who share a relevant protected characteristic within section 149(7) of the Act (see above) and persons who do not share it.

Due regard in this context involves having due regard in particular to:

- The need to remove or minimise disadvantages suffered by persons sharing a relevant characteristic connected to that characteristic;
- Take steps to meet the needs of persons sharing a relevant protected characteristic different from the needs of persons who do not share it;
- Encourage persons sharing a relevant protected characteristic to participate in public life or in any other activity which participation by such persons is disproportionately low.

### **2. Equalities Impact Assessment:**

As referenced in the report, an Integrated Sustainability Appraisal (ISA) has been carried out on the SIP, which included an Equalities Impact Assessment. However, agreeing a response to the consultation has neutral impact on people with protected characteristics.