

## Appendix 3

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Dear TfSE,

Thank you the opportunity to respond to your consultation on the Strategic Investment Plan (SIP). We welcome the effort you have put into understanding the challenges of the region and in providing a space for KCC to work together with its neighbours and other statutory transport organisations. Ensuring the SIP is the best it can be prior to submission to Government is critical for making the case for transport investment and hence we trust you will take the necessary action in response to our comments detailed below and we look forward to working with you in doing that through the autumn period.

### Comments concerning the eight proposed investment priorities

We support those investment priorities set out in the draft SIP as they reflect a range of key challenges for the transport system in the county, as they also do for the region and nationally. We draw your attention to Kent's strategic statement *framing Kent's Future*, within which levelling up Kent and infrastructure for communities comprise two of four key priorities. We therefore understand the extent of the ambition encapsulated in the priorities in the SIP which includes establishing world class urban transit systems, resilient radial corridors, and adaptation to a new normal arising from living with Covid-19 and the post-Brexit trading arrangements. Whilst this ambition should be retained in the draft SIP, we propose that these can only be achieved if based on a solid foundation of the county and region's transport system.

In respect of this, we feel that the draft SIP is relatively silent on the substantial transport challenges facing Kent and KCC as a Local Transport and Highways authority, and which we understand face TfSE's other constituent members. The draft SIP must be updated to reflect these pressing challenges and draw attention to the criticality of addressing those before the proposals in the draft SIP can become priorities. Indeed, without addressing these challenges to strengthen the foundations of local and strategic transport in the county and wider region, we do not believe the draft SIP can achieve its aims and the value delivered by the sought investment would be lower than currently forecast by TfSE. With Government as an intended audience for the final SIP, it is essential TfSE take the opportunity on behalf of its members including KCC to emphasis the challenges with funding, operating and maintaining the existing transport networks.

To address this the draft SIP must be amended to reflect, if not recite, the following key point – that a ninth investment priority is needed worded to the effect of “Reversing decline” or “Steadying our networks”. This investment priority would call for funding for programmes that are not reflected in the draft SIP but reflected in existing constituent member strategies and plans, as these are pre-requisite for achieving the TfSE transport strategy.

Notable elements addressed by this investment priority would include local road maintenance to enable TfSE constituent members to move away from an enforced investment approach of “managed decline”, owing to the underfunding of highways maintenance, to an approach of at least steady-state asset conditions with the longer term aim of improving them.

Further funding for Bus Service Implementation Plans (BSIP) which set out a comprehensive plan for Kent and other authorities and which are currently significantly underfunded (and in some instances of the region not funded at all). This has left substantial challenges around bus service provision that BSIPs were prepared to address up to 2025. They are therefore integral to initial delivery of the outcomes of the TfSE transport strategy, and well positioned for fast delivery. The draft SIP should make the case for their complete funding in the strongest possible terms.

The need to ensure funding so that National Rail services remain affordable, convenient to use, with frequencies and journey times that attract patronage to the network in the medium-term. The draft SIP contains proposals for substantial investment in the network infrastructure – this should be secondary to establishing attractive service levels following the decline in services arising from the pandemic.

Without these as a collective investment priority, we believe it will not be possible for TfSE to achieve the outcomes intended from the other investment priorities – rather, will be undermined. The estimate of investment needed in the draft SIP, at £48bn over the period to 2050, must clearly be presented as additional to and not instead of the funding its constituent members including KCC have already estimated as necessary to deliver Highways Asset Management Plans and Bus Service Improvement Plans. We know from our participation in TfSE that this perspective is understood and acknowledged; however, it must be strongly reflected in the final SIP before KCC can adopt it.

### Comments on the Funding and Financing of the SIP and the Delivery Plan

The estimates for the cost of implementing the draft SIP are included in the Delivery Plan and their broad calculation totals £48bn. However we are concerned that whilst the Delivery Plan clearly highlights that operating costs of proposals are not covered in the draft SIP's financial estimations – the risk of this to delivery of the draft SIP is underestimated.

On page 86 of the Delivery Plan, the risk concerning the relevance of Operator's financial considerations in the viability of the provision of services is rated at 9, out of a maximum score of 25. We regard this as an underestimation, especially at the time that service provision in rail and bus is being cut back on the basis of commercial decisions driven by operating costs as much as demand side factors. The risk needs a higher rating given the extent to which the draft SIP is reliant on the provision of rail, bus and new transport services arising from the changes in mobility.

We note that the funding and financing section of the draft SIP details appropriate case studies. However on the whole we consider that the majority of the draft SIP will not be fundable through alternative sources other than local and central government budgets, with the emphasis on the latter given the financial constraints already experienced in local government and the funding cuts affecting public transport that are already in progress. To aid with demonstrating this, we recommend adding a table into this section of the document or into section 6 of the Delivery Plan which has a Red-Amber-Green rating against each proposal in the draft SIP to indicate the likelihood of a majority of funding being secured from non-public funding sources. We are happy to support TfSE in evaluating the schemes on that basis for those in the Kent area.

We also wish to advise TfSE that forthcoming Levelling Up Fund round 2 bid decisions by government will likely be complete prior to finalising the SIP. As such TfSE should work with its constituent members to understand any proposals funded and for which investment is no longer required as part of the £48bn estimate. The final submitted SIP could illustrate the proportion of the original drafted SIPs proposals and cost have been secured by the date of its submission to DfT as part of demonstrating how progress within 2022 compares to the rate of progress needed over the life of the SIP and whether that has been on track or not.

### Comments on the packages of interventions

#### The highways package

The content of the draft SIP reflects the priority schemes we are progressing for our managed road network and those we are supporting development of by National Highways for the strategic trunk road network.

We particularly welcome the recognition of the need for investment into finding alternatives for management of the Port traffic, including better management of flows from across the country into Kent based on Port capacity and lorry parking capacity. We look forward to enjoying the continued support of TfSE in our own efforts on these matters.

The presentation of the highways package in the draft SIP must be improved and corrected before submission to Government in 2023. Whilst the package correctly carries as priorities improvements to both the A20/M20 corridor and the A2/M2 corridor, in line with KCC's promoted bifurcation strategy for port traffic, the schematic mapping of the package misses out the Brenley Corner to Dover A2 corridor and the M20/A20 corridor from Maidstone to Dover. This must be added to ensure the spatial depiction of the draft SIP proposals in the Kent area is correct.

The Highways package also includes a proposal for a new Maidstone southern relief road. Please note that KCC recognises that there may be a business case that can be developed for this scheme but that the scheme will be dependent on funding from government or significant funding from unlocked development. We continue to liaise with the Local Planning Authority concerning their Local Plan development and the implications of this for the road proposal's prospects.

Concerning the Highways package intervention 'Kent Freight Consolidation centres', please note there are no plans at KCC to implement consolidation centres. The complexity and private-sector-lead nature of the freight industry means we are not in a position to confidently plan or provide consolidation centres; however, we are happy to support TfSE or the Freight industry in exploring whether such interventions could lead to a reduction in road-based freight traffic and could be funded by the freight sector. If TfSE have further specifics for this proposal we would welcome understanding of those, along with how has it been assessed in determining the cost and benefits case of the draft SIP.

There are some projects that are substantially under way and therefore the benefits of them will be largely secured before TfSE finalises the SIP for submission and for which funding is not required. Specifically, Herne relief road and Dover Fastrack are in construction, and M20 junction 3 to 5 smart motorway and M2 junction 5 are also in delivery.

### *Railways and enhanced railways package*

Recognising the long-term nature of the draft SIP, we concur with the broad range of rail network proposals within the 30-year horizon, with many aligned to the current Kent Rail Strategy and schemes KCC continues to work in partnership on making the case for, such as extending Crossrail to Kent. There are a range of station interchange proposals which would entail entirely new stations, and which are in challenging locations to deliver based on the initial assessments conducted. Nonetheless, they may warrant having their feasibility further investigated and KCC encourages TfSE to make use of its further funding settlements to progress those studies with the input of KCC, the District and Borough Councils and of course the rail industry such as Network Rail, Southeastern and the DfT.

There are a small number of proposals which KCC does not regard as priorities and would not support investment in at the expense of other interventions in either rail, other SIP packages for Kent, or more importantly in the funding of local transport. For example, the proposed Ebbsfleet southern rail access, Bakerloo line extension (for the purpose of releasing train paths from London metro routes to and from Hayes to destinations further afield into Kent), or the High Speed proposals within the 'enhanced rail package' given all are dependent on an expanded High Speed train fleet as a pre-requisite.

Given the above and the significant economic benefits the High Speed services have brought to mid and east Kent, KCC's consultation response calls for the expansion of the High Speed train fleet, as it has lobbied for since 2020. An expanded fleet sets the Kent rail network up for long

term growth and success. Fleet expansion enables the advantages of High Speed to serve the maximum number of destinations in Kent, service frequency increases on the existing network and finally the draft SIP's further proposed network extensions (such as to Hastings via the Marshlink line).

Currently in Kent there are no Eurostar services available at our two International stations whilst the draft SIP carries an emphasis on international gateways as a key benefit of the region. We therefore require that the draft SIP include a proposal for securing any necessary upgrades or changes at International Stations to support the international rail market with resuming stopping services. This will help support KCC in delivery of its Strategic Statement which contains a priority to secure resumption of Eurostar services to Ashford International and Ebbsfleet International stations.

### Mass transit

The Mass transit package addresses primarily bus networks: however, it also includes ferry-based travel. Each is addressed in turn as follows.

We support the bus enhancement proposals within the draft SIP; however, as with the active travel package as detailed further below, the draft SIP is too selective in respect of where bus enhancements should occur. Most major towns of Kent are listed, however there are other town locations missing such as Paddock Wood, Tonbridge, Swanley etc. We recommend that the draft SIP promote bus enhancements across the whole county, and in doing so would capture the scope for improving coverage and availability of rural bus services. We also view that the draft SIP must include a proposal for the full delivery and funding necessary for the KCC BSIP and this be reflected in the investment calculations. This links back to our earlier comments responding on the investment priorities. This is a pre-requisite for KCC adopting the final SIP.

TfSE should also note that the viability and feasibility of long-term expansion of the Fastrack network in north Kent into areas such as Medway will need to be developed.

The Mass Transit package includes a proposal for expansion of Fastrack in north Kent into the Swanscombe Peninsula area. Plans were in development for extending the network in this way to mitigate the effects of and serve the proposed leisure resort on the Peninsula. TfSE should note that the Development Consent Order was withdrawn which will have a bearing on Fastrack network extension into the peninsula.

Concerning ferries, we wish to highlight that we have no plans to introduce ferry services as detailed in the SIP. We are unclear the intended delivery body and operating model for the proposed ferry services and remain unconvinced that these proposals are priorities for achieving the outcomes of the TfSE transport strategy or the policy goals across all tiers of government. We also wish to highlight the potential for enhanced ferry services from north Kent along the Thames into east and central London.

We note the inclusion of the 'Inland waterway freight enhancements'. We are not clear the basis this is classed as mass transit and would welcome further detail or any specifics concerning it. We also welcome further clarity on what TfSE's proposed delivery approach for this would be, including the role of the planned relaunched Freight Forum. Our own understanding is there is limited opportunity in Kent, with the main waterway of the River Medway available within Medway Unitary Authority's area, but having the constraint of Allington Lock as the river shortly works its way into KCC's area. The potential for sea-borne freight is a potentially more promising alternative and could be explored further by TfSE.

Whilst we acknowledge that the KCC proposal for a Mobility as a Service platform in the north Kent Fastrack network area is not modally specific, we recommend inclusion of it as a specific

intervention in the Mass transit package. We recall its inclusion in the area studies and consider it should similarly included for presentation within the SIP given it is a proposal for a discrete area and not necessarily covered entirely under the global interventions.

### Active travel package

We welcome the recognition of the importance of active travel within the SIP; however, the package as presented lacks development to accurately represent the requirements, the costs and the benefits likely associated with delivering active travel improvements county-wide. Some specific locations are listed in the packages such as Dover, Maidstone, and Canterbury and some intra-urban routes are similarly listed taken from Sustran's long term strategy for the National Cycle Network. There are proposals within towns across Kent – for example within Thanet, Dartford, Gravesend and Ebbsfleet, Sevenoaks and so on.

We therefore recommend that the focus of the draft SIP remain on the strategic cross-boundary network improvements for active travel, whilst active travel improvements within the county is kept to the detail of proposals W3 and W4 concerning 'Kent urban cycleways' and 'Kent inter-urban cycleways' respectively and expanded to include reference to also "pedestrian improvements". KCC and the District and Borough Councils will be continuing development of comprehensive proposals for urban areas and inter-urban corridors across the whole county through Local Cycling and Walking Improvement Plans (LCWIPs). That work will be the better articulation of what is required and where in Kent and will be the basis from which KCC and its local government partners work from in determining necessary investment and delivery priorities.

The current forecast of £400m across the TfSE Kent Medway and East Sussex area is likely to be insufficient over the 30 years of the SIP horizon to achieve the extent of improvements desired or necessary to meet the objectives and policy goals held across all tiers of government. It equates to £13.3m per annum, which split shared across the three authorities brings the value for Kent close to the level of funding recently received per annum through the Active Travel Funding (ATF) tranche 1 to 3.

As we look to the future, the number and extent of proposed active travel schemes will likely increase across the county as will KCC's ability to deliver. The estimate of £400m should either be front loaded to the first 15 years of the SIP, or the volume of funding estimate will likely need to double to around £800m over the 30-year period.

Furthermore, the suitability of the SIP for setting out and making the case for local active travel schemes is weakened by the broadness and lack of depth of the appraisal. The SIP reports a forecast of the per annum additional Gross Value Added (GVA) from active travel. Over the period to 2050 a forecast of £15m per annum is reported which brings the reported benefits to £450m – only slightly above the £400m investment called for.

Government's own work, included in its policy paper 'Gear Change' most recently, sets out that active travel schemes typically have a high Benefit-Cost ratio (BCR) due to the substantial public health benefits both directly from increased activity levels on physical and mental health, as well as on air quality, reducing transport's contribution to climate change, increasing footfall in commercial areas, and increasing resilience of neighbourhoods by enabling local living without reliance on public or private vehicles. As such, we are concerned that the SIP reported benefits from active travel undersells the benefits.

### Comments on the global interventions

Transport remains the biggest contributor to national carbon emissions and there has been slow progress in reducing it. Given that for the Kent Medway and East Sussex package the draft SIP forecasts an increase rather than decrease in carbon emissions from the interventions proposed

(mainly due to the addition of the new Lower Thames Crossing to the strategic highway network), we regard the decarbonisation intervention as important and that it is deeply coupled with achieving many of the other interventions it is set alongside.

TfSE should take the opportunity of the SIP to emphasise the important foundation of a decarbonised energy generation and grid to enable not just zero-emissions at tail pipe but true decarbonisation of transport within the region and wider nation. We encourage TfSE to work with Government, the National Grid and UK Power Networks, following the SIP publication, to estimating the impact of its proposals on electrical energy consumption. The aim should be to understand whether the supply of that is secured in existing investment on generation in the region and wider country. This is a critical strategic issue for supporting electrification of transport and movement that TfSE can play a strong role in furthering understanding. Relatedly, the potential demand and production of hydrogen fuel should also be given due consideration.

For example, integrating transport better across modes both through increased service frequencies; scheduling to enable convenient interchange for onward travel rather than missed connections; providing secure cycle and scooter parking at bus and rail stations; and digital integration of ticketing and roll out of platforms around the Mobility as a Service (MaaS) model, would all increase attractiveness of public transport and aid in reducing carbon emissions through mode shift from more polluting forms.

This goes further for lowering public transport fares and catering for easier and new forms of transport such as E-scooters and E-bikes and so on. It is clear from work within the transport industry that the transport sector cannot reduce its emissions quickly enough by focusing decarbonisation on the shift to electric vehicles. TfSE's own work demonstrates this for the region. Decarbonisation is the most important outcome but as an intervention it is insufficient on its own. To achieve decarbonisation the interventions TfSE has proposed that would impact positively on where, how and when travel is undertaken are all equally important.

In respect of road user charging, KCC recognises the forecast decline in tax receipts from fuel duty as vehicle use shifts to battery electric and potentially hydrogen vehicles. No details are provided about the form of road user charging within the TfSE proposals and as such it is not possible to pass further comment at this stage. Ultimately it will depend upon the form and function of any future tax or charges regime for using vehicles or roads. How receipts are hypothecated (e.g. whether dedicated to local highways and public transport or consolidated centrally in Treasury budgets for cross-departmental spending) will also be an important factor in KCC's considerations of any proposals by TfSE or Government.

As with much of the content of the draft SIP, KCC will also be aided further in its considerations once it completes development of its new Local Transport Plan, which is underway.

### *Comments concerning the carbon and jobs appraisals in the draft SIP*

The SIP reports CO<sub>2</sub>e emissions forecasts arising from surface transport. We are unable to ascertain what the precise carbon impact is however as the reported units need checking and appear erroneous. Specifically, the Executive Summary reports kilo tonnes in the packages table. The rest of the document reports the same numbers in tonnes. We assume the rest of the document is correct as if the carbon savings were achieved in kilo-tonnes they appear disproportionately (potentially even unfeasibly) high relative to our own understanding of the volume of surface transport emissions in the county. It is welcome that TfSE has included assessment of this important aspect and hence we welcome TfSE correcting its accuracy prior to submission so that there is confidence in this part of the analysis.

We welcome the estimate of jobs generated by the investment in transport, given transport's close link to the economy and enabling businesses to grow and prosper by accessing suppliers and

clients. The figures generated by the SIP proposals appear low relative to the Gross Value Added (GVA) benefits and when benchmarked against historic jobs trends in Kent and Medway. We would welcome a review of this element of the economic case and the headline message that can be made to Government within the SIP prior to its submission. We recommend liaising further with the Local Enterprise Partnerships who have been focused on achieving business and jobs growth through infrastructure investment through the former Local Growth Fund deals they have managed.

### Conclusion

We hope you find our comprehensive comments helpful and we look forward to your efforts in updating the draft SIP and clarifying any queries we have raised. We will further consider your proposed final SIP for submission to Government in early 2023 as per your current schedule for its completion.