# transporttimes

The independent voice of transport

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February/March 2010

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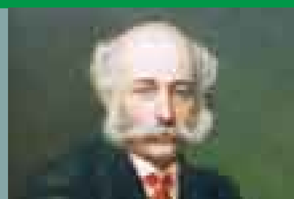

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## Party policies move closer

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# A great debate – but why is transport such a low priority?

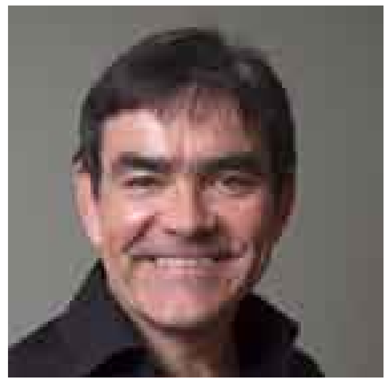
Those of us who hope that transport will be a key issue in the pending General Election are optimistic in the extreme. History tells us that the Secretary of State for Transport only hits the headlines if he cocks up in some way or, as happened with John Prescott in the 2001 election, he lands a right hook on the egg thrower with the dodgy haircut! Perhaps the nearest we got to a substantive transport policy making the headlines was in the 1997 General Election when the then Conservative Government were under attack for rail privatisation.

The survey of Conservative candidates in the party's 250 most winnable target seats makes sobering reading (see page 6). They were asked to rank the top election issues and reducing carbon came bottom, while investing in road and rail were third from bottom in the pecking order! Not surprisingly, reducing the country's burgeoning public sector deficit was top priority, but it was disappointing to read that reducing the powers of Brussels and tackling immigration were given much higher priority than transport or tackling climate change.

Rather than being critical of the opinions of would-be Members of Parliament, could it be that we transport geeks are out of touch with public opinion and they aren't? What perplexes me on this is that, based on their spending decisions over the past decade, the devolved areas, London and Scotland in particular, have devoted a higher priority to transport than Whitehall. One of the arguments for devolution was that it would bring the politicians closer to the electorate.

*The Great Transport Debate*, hosted by *Transport Times* last week, produced a fascinating insight into the policies of the main parties for those of us interested in the subject, but was unlikely to get much interest from the election strategists.

The main fault lines between the parties were on Heathrow's third runway, quality contracts for buses, and road pricing. Labour was the only party to back the third runway; the Conservatives were not supportive of any roll-out of quality contracts and the Lib Dems are the only party still flying the flag on road pricing.



> **There is a remarkable degree of unanimity on rail policy with the three parties all supporting longer franchises and high speed rail**

There is a remarkable degree of unanimity on rail policy with the three parties all supporting longer franchises and high speed rail (who would have thought that a year ago?), the Conservatives and LibDems wanting to make Network Rail more accountable, but with Labour not supporting the stance from the other parties that rail franchises should be less prescriptive.

It was surprising to find agreement from all three parties on how Heathrow should be connected to the HSR network. A spur or a direct link from the route was preferred to Heathrow being located on the route as that would add too much to London journey times. I was expecting the Conservatives to back a direct service to Heathrow as part of their strategy to resist a third runway. They are to be commended for putting policy before politics on the best way to connect the airport to HSR and Lord Adonis deserves praise for achieving this consensus.

Lord Adonis was his usual intelligent, constructive and statesmanlike self. He reminds me of a batsman who has come to the crease late in the day – Labour's seventh secretary of state since 1997 – and is in a hurry to hit as many runs as possible before the light runs out. He is a class act and you can tell he is in the job he relishes. He must rank as the best performing member of the cabinet.

The Conservatives are very fortunate to have such a formidable and well-informed number two in Stephen Hammond (Theresa Villiers was unable to attend because of constituency commitments). Stephen is the longest serving shadow transport minister in living memory and he has cultivated a strong following within the sector. He brings to the job an impressive business background and, like Andrew Adonis, he has sacrificed an alternative career which would have brought him a much higher standard of living. At a time when MPs are being treated as if they were dirt on a shoe it is encouraging that our front line transport politicians are conducting themselves so well.

The LibDem transport spokesperson, Norman Baker, has the most radical transport manifesto, more sustainable and with a firmer commitment to reducing carbon and tackling congestion. It could have been written by Stephen Joseph and the Campaign for Better Transport. My fear and deep regret is that it would not pass the electoral test. It does make the prospect of a hung parliament – or balanced parliament as the Lib Dems are calling it – an interesting prospect for transport policy.

Whoever wins we face the prospect of a moratorium on transport capital spending and draconian cuts in revenue budgets. Creative thinking will be an imperative.

David Begg

**David Begg is publisher of *Transport Times*.**

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# BCC identifies priority schemes for next Parliament

The British Chambers of Commerce has identified 13 crucial transport projects which it says should be prioritised over the next Parliament.

The projects, 12 regional and one national, would generate benefits of £85m to the UK, says the BCC – which added that transport should not face swingeing cuts while health and education escaped.

The list has been arrived at through consultation with chambers of commerce around the country to identify the scheme they believed most important to the economic success of each region.

Crossrail, the Forth replacement bridge, Heathrow's third runway and the A14 improvement scheme are among the projects the BCC wants delivered over the next decade – alongside high-speed rail, which it says "cannot be the only transport improvement green-lighted by all the major political parties over the next five years."

BCC director-general David Frost said: "Transport infrastructure cuts must not become a politically convenient way to slash spending after an election, especially when there are huge savings to be made in far larger budgets, including health, education and welfare.

> **Transport infrastructure cuts must not become a politically convenient way to slash spending after an election**

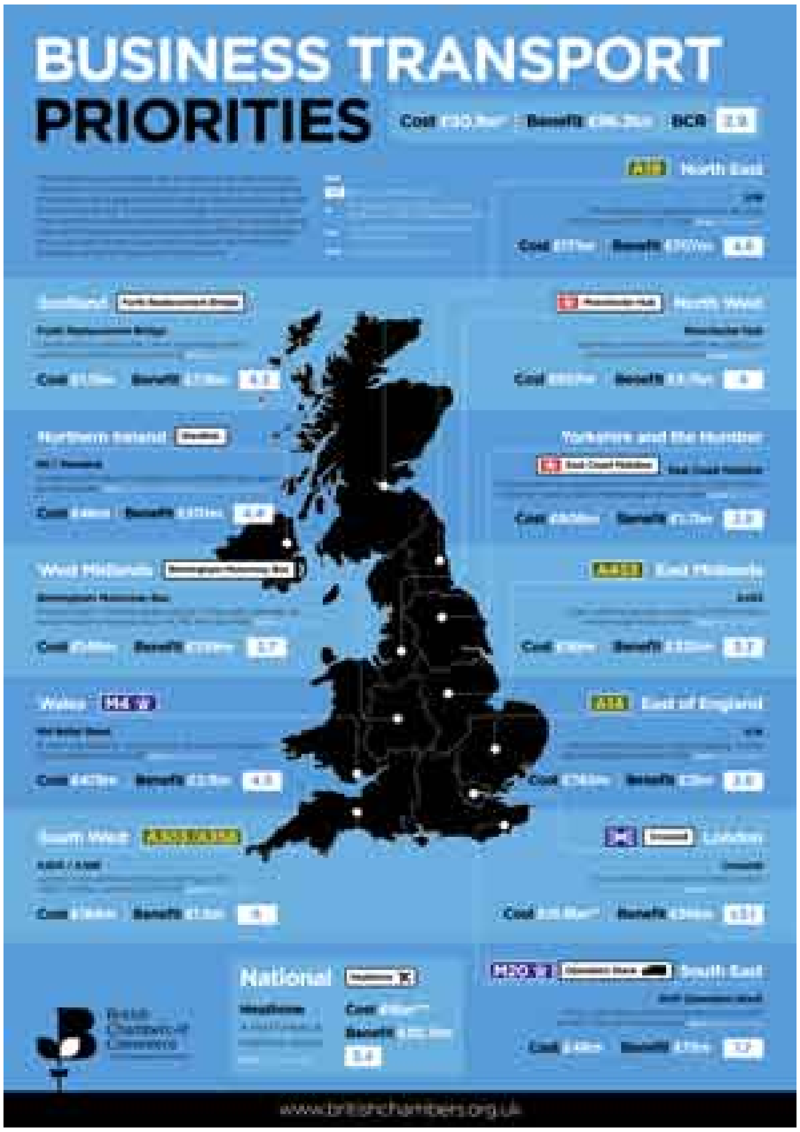
"A government focused on the UK's future economic success must do everything it can to protect investment in priority transport projects. These infrastructure improvements will not only unlock much-needed economic growth, but will also help the hard-pressed UK construction sector and businesses in the supply chain."

A BCC spokesman said that the list aimed to be realistic and to fit within the DfT budget for the next Parliament.

All but one of the projects have a benefit-cost ratio of at least 2 over 60 years, recognised as representing high value for money by the Treasury. The total cost of the projects is £29.8bn, with private sector costs of £14.3bn and public sector costs of £3.1bn annually over five years. This compares to average annual transport spending of around £10bn.

The initiative is running alongside the BCC's Infrastructure Commission, which will be taking evidence and looking at the UK's energy and communications networks as well as transport. It will take a long-term, integrated view which will include considering what synergies can be achieved between projects in the different sectors.

**Infrastructure campaign, page 24**




## The projects are:

**London: Crossrail**
The new underground/overground line will stretch from the west to the east of London, providing a route linking Heathrow directly to the City of London and relieving overcrowding over much of the Underground system.
**Cost:** £15.9bn | **Benefit**: £36bn | **BCR (Benefit to Cost Ratio):** c.3.1

**South East:**
**M20 Operation Stack**
Operation Stack is the traffic management plan used by Kent Police when restrictions at the Port of Dover or the Channel Tunnel make it necessary to transform sections of the M20 into a lorry park. Traffic is diverted from the motorway to neighbouring roads, causing severe congestion. The proposed scheme will provide a dedicated lorry park, allowing the M20 to remain unaffected.
**Cost:** £48m | **Benefit**: £75m | **BCR**: 1.7

**South West: A303/A358 Improvement Scheme**
Upgrade to dual carriageway of the A303 and A358 link roads to junction 25 of the M5. The current roads are unable to cope with the volume of traffic.
**Cost:** £184m | **Benefit**: £1.1bn | **BCR**: 6

**East of England:**
**A14 Ellington to Fen Ditton Scheme**
Project to widen the A14 to dual three lanes around Huntingdon and Cambridge to relieve congestion affecting commuter traffic and freight to and from Felixstowe.
**Cost:** £765m | **Benefit**: £2bn | **BCR**: 2.6

**East Midlands:**
**A453 widening (M1 Junction 24 to A52 Nottingham)**
The route linking East Midlands Airport to Nottingham needs to be widened to cope with traffic and to allow the airport to expand.
**Cost:** £98m | **Benefit:** £320m | **BCR:** 3.3

**West Midlands:**
**Birmingham Motorway Box**
Active traffic management to increase capacity and reduce conges-

**turn to page 6**

from page 5

tion on the M5, M6, M40 and M42 around Birmingham.
**Cost:** £149m | **Benefit:** £399m | **BCR:** 2.7

**Wales: M4 Relief Road**
A relief road around Newport at Junction 23 of the M4 to help ease traffic levels.
**Cost:** £478m | **Benefit:** £2.1bn | **BCR:** 4.5

**Yorkshire and the Humber: East Coast Main line**
To meet demand, line, signal and junction improvements and longer platforms at key stations are needed.
**Cost:** £606m | **Benefit:** £1.7bn | **BCR:** 2.9

**North West: Manchester Hub**
Manchester Victoria Station's platform capacity must be expanded and new sections of railway built to remove the most significant rail bottleneck in the North.
**Cost:** £937m | **Benefit:** £3.7bn | **BCR:** 4

**North East: A19 junction upgrades**
Improvements to junctions on a key strategic road in the region to allow them to cope with increased traffic when the second Tyne Tunnel on the A19 opens in 2011.
**Cost:** £171m | **Benefit:** £707m | **BCR:** 4.6

**Scotland: Forth Replacement Bridge**
New cable stay replacement bridge to the west of the current one, which is in poor condition and carrying twice its original design flows.
**Cost:** £1.7bn | **Benefit:** £7.3bn | **BCR:** 4.3

**Northern Ireland: M1/Westlink**
Grade-separated flyover to improve traffic flow at junction connecting 65,000 vehicles daily to Belfast city centre, port, airport and the south and west of the province.
**Cost:** £46m | **Benefit:** £201m | **BCR:** 4.4

**National: third runway at Heathrow**
Heathrow is operating at 99% of its design capacity. For the UK to continue to compete for international investment, further capacity is needed.
**Cost:** £9bn | **Benefit:** £30.7bn | **BCR:** 3.4

# Improving transport a low priority for Tory candidates

| | Policy | Number giving the policy a '5' rating | Average rating |
|---|---|---|---|
| 1 | Reducing the budget deficit | 112 | 4.72 |
| 2 | Cutting red tape and regulation especially for small business | 73 | 4.37 |
| 3 | Reducing welfare bills | 59 | 4.19 |
| 4 | Proving that the Tories can be trusted with the NHS | 50 | 3.91 |
| 5 | Reversing Labour's erosion of civil liberties | 46 | 3.94 |
| 6 | Reforming the tax system and cutting some taxes | 45 | 3.99 |
| 7 | Supporting a Conservative agenda for fighting poverty | 45 | 3.88 |
| 8 | Winning powers back from Europe | 45 | 3.86 |
| 9 | More offenders in prison and more young people helped off the conveyor belt of crime | 42 | 3.9 |
| 10 | Reducing the level of immigration | 42 | 3.87 |
| 11 | Strengthening Britain's military | 35 | 3.76 |
| 12 | More help for marriage and the family | 33 | 3.6 |
| 13 | Protecting the English countryside from development | 31 | 3.57 |
| 14 | Victory in Afghanistan | 30 | 3.53 |
| 15 | The establishment of new schools | 23 | 3.35 |
| 16 | Better road and rail services | 20 | 3.58 |
| 17 | A fairer constitutional settlement between Scotland and the rest of the UK | 19 | 3.13 |
| 18 | More affordable housing | 14 | 3.09 |
| 19 | Reducing Britain's carbon footprint | 8 | 2.8 |

**Only eight candidates gave reducing the carbon footprint the top score of 5**

Reducing the UK's carbon footprint came bottom of the list of priorities in a poll of Conservative parliamentary candidates. Better road and rail services were ranked 16th out of 19 policies, in the survey conducted by the Conservative Home and Conservative Intelligence websites.

Reducing the budget deficit was ranked top priority by candidates in the 250 most winnable seats in the next election, of whom 141 responded.

Cutting red tape and regulation came second, winning back powers from Europe eighth, and reducing the level of immigration tenth. Only eight candidates made a reduction in the carbon footprint top priority and it was the only policy of the 20 to score less than three out of five.

Speaking at *The Great Transport Debate*, *Transport Times* publisher David Begg said transport practitioners needed to question whether they or the candidates were more in touch with the public mood.

Conservative shadow transport minister Stephen Hammond said that if the survey had asked about local transport priorities, this would have appeared much higher up the list.

Candidates were asked: "Please say for you, personally, which of the following policy goals will be most important for you in the next parliament if you are elected."

Candidates were asked to rank policies on a scale of one (unimportant) to five (very important).

**Great Transport Debate report, p17**

# Tories reserve right to reject HS2 findings

Attempts by transport secretary Lord Adonis to forge a consensus over high speed rail suffered a setback last week when shadow transport secretary Theresa Villiers turned down an offer to view the Government's proposals in advance of publication.

Ministers are expected to publish the report from High Speed 2, the government-owned company charged with making proposals for a route from London to the West Midlands and options for destinations beyond that, alongside a White Paper setting out the government response next month.

Accusing Lord Adonis of seeking a "cosy political consensus" over the route, Ms Villiers said: "A Conservative Government is committed to building a high speed rail line. Our plans go further than Labour's and our commitment is far stronger. We have promised to construct a line connecting London with Birmingham, Manchester and Leeds. By contrast, Labour's plans stop short in Birmingham, with anything further north a matter of speculation only."

A Conservative spokesman added that the party had always made it clear that it would use whatever HS2 proposed as "something to consider" while reserving the right to develop an alternative route.

Lord Adonis said there was "no question" of a route being finalised without consulting the public. He added: "The consensus I seek is on the principle of high-speed rail, so that it can be taken forward on a cross-party basis in the next parliament."

Conservatives are also likely to be concerned about the effect of the route passing through key constituencies in Buckinghamshire.

Liberal Democrat shadow transport secretary Norman Baker accused the Conservatives of trying to kick the issue "into the long grass". He said: "This stance taken by the Tories clearly suggests that they're rowing back from their commitment on high-speed rail. Seeing the document doesn't commit any party to a particular line, but it is a useful way of learning what's on the table and informs the debate."

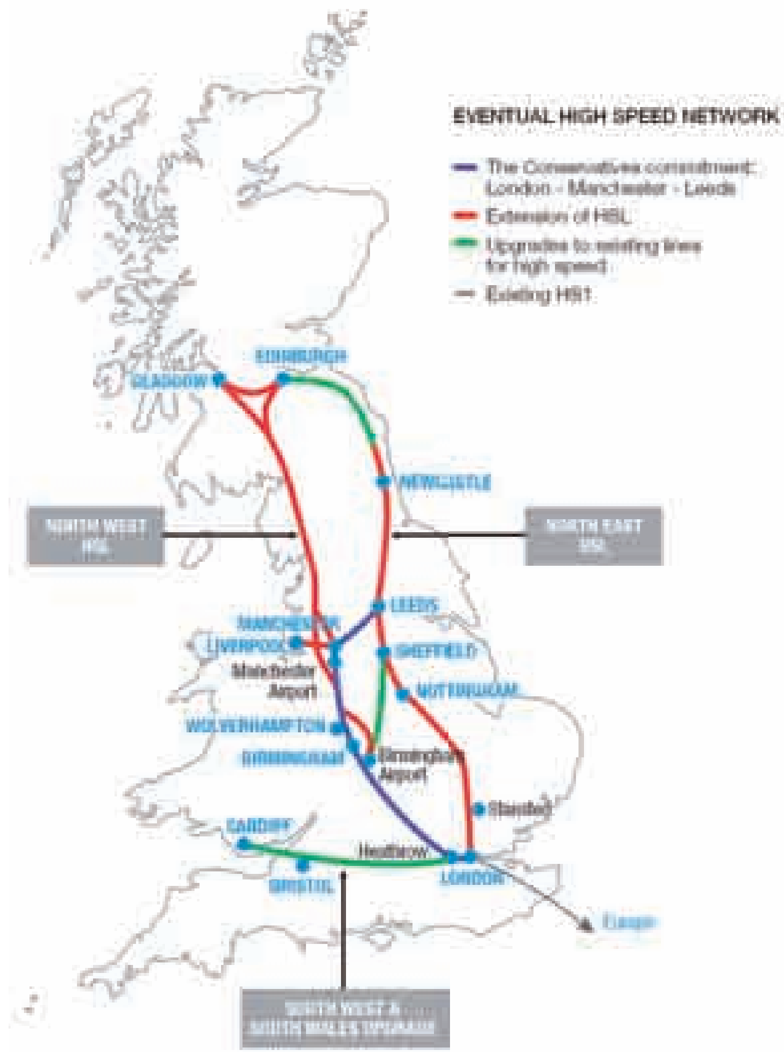
The story emerged the day after *The Great Transport Debate*, organised by *Transport Times*, revealed wide areas of agreement over transport policy between the parties.

On an issue expected to be contentious – whether a high speed line should connect directly to Heathrow or whether the airport should be served by a spur – both Adonis and shadow transport minister Stephen Hammond said that it was too early to make a decision. Mr Baker indicated that, having initially been in favour of a direct link, he was now warming to the idea of a connection via an interchange at Old Oak Common, a few miles west of Paddington, on Crossrail.

The Conservatives had been expected to back the conclusion of the centre-right thinktank the Bow Group, which endorsed consultant Arup's proposal for a Heathrow hub in a recent report launched by Lord Heseltine.

The Bow Group concludes: "The Conservative Party is right to support a direct HSR link with Heathrow. "The Government risks choosing the wrong route for Britain's second high speed railway to connect London with Birmingham, Manchester, Leeds and Scotland. HS2 should initially be directly linked to Heathrow Airport through the construction of a Heathrow hub interchange station combining HS2, the Great Western Main Line, Chiltern Line, Crossrail and Airtrack services. Other British airports such as Birmingham and Manchester should also be directly linked to HS2.".

It adds: "A non-direct HSR link with Heathrow and other airports, represented by a loop or spur line, would represent folly in Britain's ambition to develop a truly integrated transport policy." The network should directly connect all major airports and cities, as in France, the Netherlands, Belgium and Germany. "HS2 linked to Birmingham and Manchester Airports will allow these airports to better utilise spare slots and compete more effectively with the congested South East airports."




**The Bow Group's vision of how a high-speed rail network would ultimately look**

If, as expected, the HS2 report proposes a parkway station near Birmingham International airport, some commentators have suggested that Birmingham could be expanded instead of Heathrow as it will be no further in travel time from central London than Heathrow is now.

• High-speed rail will enhance economic performance and will boost annual economic output by between £17bn and £29bn by 2040, says Greengauge 21 in a new study entitled *High-Speed Rail in Britain: Consequences for Employment and Economic Growth*.

Greengauge 21 director, Jim Steer said: "Our new analysis demonstrates that in the long term the Treasury will be winners too, through substantial additional tax revenue."

The study was undertaken by management consultancy KPMG, whose partner, Lewis Atter, said: "Evidence on the importance of rail to the economy and thus exchequer revenues is scarce. Using evidence on how rail connectivity and economic performance are linked today, we have asked what high-speed rail could do in the future. This is a new way of thinking about the economic returns to transport investment, focused on its impact on the supply side of the economy."

# Hub plan provides a solution to the North's biggest bottleneck

A £530m package to transform rail travel in the North of England by removing its biggest bottleneck was proposed by Network Rail last week.

The Northern Hub study has come up with a clear solution to the long-standing problem of capacity constraints, particularly around Manchester.

The phase two study built on the Northern Way's Manchester Hub (as it was then called) phase one study two years ago, which identified the economic benefits of rail improvements across the North.

Network Rail's proposals promise a 40% increase in trains across the region, or 700 extra services; capacity for an extra 3.5 million passengers annually; and faster, more frequent services to Newcastle, Liverpool, Manchester, Leeds and Sheffield.

The plan, supported by the Department for Transport, Greater Manchester Passenger Transport Executive and the train operators as well as the Northern Way, is likely to be made a priority for the 2014-2019 rail investment period for which the Government will publish plans in 2012.

And a report on rail priorities published this week, the House of Commons Transport Select Committee also endorsed the hub as a priority for 2014-19 (see below).

Despite fears that there will be little government funding available for this period, a senior Network Rail source was confident that the work could be funded by borrowing.

The plans would include substantial restoration and improvements to Manchester Victoria station, which would become a major interchange for the north.

New inter-regional and trans-Pennine services would be possible, with six trains hourly between Leeds and Manchester, with a journey time of 43 minutes. There would also be double the number of train paths for freight from the West Coast Main Line to Trafford Park, boosting capacity and allowing larger containers to be used on the network.

The plans have a cost-benefit ratio of four to one.

The Northern Way hailed the result as a breakthrough. Prof David Begg, chairman of the Northern Way Transport Group, said: "Manchester Hub is the North's biggest rail bottleneck and a top priority for the Northern Way. In the middle of 2007 it wasn't on the national agenda, but through working closely with Network Rail, the DfT and stakeholders across the North, we are delighted there is now a very clear strategy for cracking the problem."

**The plans would allow faster, more frequent services between Newcastle, Liverpool, Manchester, Leeds and Sheffield**

From a range of options Network Rail identified two main choices, one allowing greater use of Manchester Piccadilly and one using Manchester Victoria. The Piccadilly option (option 1) was costed at £790m to the £530m of the Victoria plan, which became the preferred option. This also outperforms option 1 in economic benefits to the North and can be carried out with less disruption.

It involves a new section of railway at Ordsall, west of Manchester city centre, to allow trains to travel from Manchester Victoria to Piccadilly and Manchester Airport stations. It will allow direct links between cities in the north, where currently passengers have to change trains at Manchester, and will provide direct links between Northern cities and Manchester airport.

Councillor Keith Whitmore, Chair of GMITA, said: "This report has our full backing and we would like to see it acted upon urgently. It sets out the case for much-needed and sustained investment in both infrastructure and rolling stock in the North."

The preferred option will now be taken through Network Rail's project development process leading to an initial strategic business plan in summer 2011 and inclusion in the high level output specification for 2014-2019 in June 2012.

## Hub scheme and electrification should be top priority, says committee

Wider electrification of the network and efforts to address capacity problems across the North should form the Government's investment priorities for the railways over the coming decade, says the House of Commons Transport Committee.

In a report published this week, the committee also welcomes the Government's change of policy on high speed rail but warns that investment in new infrastructure of this kind must not detract from necessary medium-term investments on the "classic" rail network.

Launching the report, chairman Louise Ellman said "It's paramount we do not deprive future generations of a lasting legacy of good transport services. Investments made now or in the near future should reflect long-term needs of the economy and society."

The committee welcomes the scale of the current £35bn investment programme, which covers the period 2009-2014, but warns that investment levels from 2014 to 2019 may not be as generous. Tough decisions will have to be made about priorities for the network. The committee calls for a realignment in the balance between investment in London and the South East and elsewhere in the country.

The committee says a clear priority must be given post-2014 to addressing the capacity constraints at the Manchester Hub.

Further electrification of the network – particularly the Midland Main Line between London and Sheffield – should also be given top priority.

The committee also recommends:

- The Government should take a more active policy position that encourages schemes to bring old lines back into service or to open new lines or stations. It should not only encourage private investment through the franchise system but fund schemes forecast to enjoy high passenger patronage directly through the national rail investment programme.
- Ministers must set out their rolling stock plans as soon as possible to provide the industry with certainty about future capabilities.
- Freight investment in the medium-term should, at the very least, be maintained at current levels and the Government should continue to encourage the expansion of the network.
- The methodology applied by the Government to prioritise schemes needs to become more dynamic to integrate wider social, environmental and economic considerations, including the impact of transport investment on the GDP of regions.

# Fuel cell cabs to hit the streets

**Lotus Engineering is integrating Intelligent Energy's fuel cell power train into a cab**

Hydrogen fuel cell powered taxis could be on the streets of London in time for the 2012 Olympics.

The taxis, being developed by a consortium led by Intelligent Energy and including Lotus Engineering, will be capable of 81mph with a range of 250 miles. Refuelling will only take five minutes.

London's deputy mayor, Kit Malthouse, has said that he wants 20-50 taxis in operation by 2012 and six hydrogen filling stations in the capital.

Because taxis operate over a limited geographical area, they can refuel from a limited number of filling stations. At the same time the filling stations start to form a nucleus for a wider network of filling stations. Lack of refuelling infrastructure is a barrier to the wider adoption of hydrogen-powered cars.

Hydrogen can be generated by electrolysing water to split it into hydrogen and oxygen. Hydrogen cars produce no emissions at the point of use, and ultimately if the hydrogen can be produced using renewable energy they promise to be a practical way of decarbonising transport.

Intelligent Energy has designed and built the fuel cell, with Lotus responsible for integrating it into the body of a taxi, which will look identical to a standard diesel cab.

A hydrogen tank takes the space where the cab's engine would be, and produces electricity to feed a battery pack under the cab's passenger area that drives the wheels.

Henri Winand, chief executive of Intelligent Energy, said that in a purely battery-electric vehicle, most of the passenger space at the back would be taken up by batteries.

A prototype taxi is already running in tests at Lotus Engineering's Norfolk development centre.

In a separate move, Intelligent Energy and Suzuki unveiled the Suzuki Burgman fuel cell scooter at City Hall in London earlier this month. Public road testing and demonstrations will begin in the UK later this year.

# New rapid bus transit service launched in East London

A new high-frequency bus service for east London was launched this week.

The East London Transit provides a fast, direct link between Ilford, Barking and Dagenham Dock.

Two services will run on the route, one operating 24 hours a day, and there will be 10 buses an hour. Sixteen new buses fitted with TfL's iBus information technology and with greater legroom have been acquired exclusively for the route. Bus lanes have been provided on the busiest sections. By 2013 over 30% of the route will be segregated from general traffic. Journey times will be reduced by up to three minutes or 10-15%.

A number of streetscape improvements have been carried out as part of the £26m project, which was funded by Transport for London with contributions from the Homes and Communities Agency and London Thames Gateway Development Corporation.

The new route will bring a bus service in Barking town centre for the first time for many years and is expected to catalyse regeneration in Barking and Dagenham Dock, which was not previously served by local buses. The project is strongly supported by the borough councils of Redbridge and Barking & Dagenham.

Work is under way on the next phase of the project which will operate through the new Barking Riverside development. Construction work on this phase is expected to begin in 2013.

Kulveer Ranger, the Mayor of London's transport adviser, said: "The new link will play a key role in the development of the area."

Peter Andrews, chief executive of London Thames Gateway Development Corporation, said: "Our investment in the East London Transit signifies the intrinsic link between transport connections and the comprehensive regeneration of the area. The routes will act as a catalyst for bringing developments out of the ground in Barking and Dagenham Dock."

**Mayor's advisor Kulveer Ranger and TfL surface transport MD David Brown**

jim steer

# Transport holds the key to economic recovery

The political parties engaging in this year's general election might suppose that transport is a distraction from the key issues and therefore safe to ignore. They'd be wrong

Dull consensus on transport policy there may well be, but politicians should reflect that there are few better opportunities to make a difference within a single government term.

Transport is still the biggest single item of household expenditure, according to ONS figures, and is the only major sector where carbon emissions are still growing.

But the chastening spectre of public spending cuts, you might feel, will surely dispel any hope for the kind of investment needed to make a real difference. While political leaders reaffirm commitments to the largest-scale projects, the Department must have been told to expect the worst by the Treasury, judging by the measured gloom they have been asked to despatch across the regions.

How quickly the pre-recession understanding from Eddington (the importance of ensuring transport works better to achieve greater efficiency and higher productivity) and Stern (the need to start acting now on changing the pattern of energy use) slip from view. Combine that with complacency over reduced traffic levels, and we have a prescription for politicians to keep *shtum* on transport.

So why wouldn't they be right to do just that, couching any election promises within an embrace of austerity?

The answer is that our faltering economy needs transport to cost the exchequer less and to deliver more. Transport can and should make a big difference to the pace of economic recovery. Those of us in the transport sector need to be showing the leadership of ideas to achieve this.

The financial constraints ahead stem from a reduction in tax revenue. There was no sudden escalation of public spending in 2008/09 that needs to be chopped back (just the umpteen billions spent bailing out the banks – a once-in-a-lifetime affair). In 2008/09 the world of financial transaction collapsed. The economic consequence is that individuals and companies are earning less and therefore paying less tax, right across the board.

This is why measures like gross value added (GVA) need to become central to our decision-making, because uplifts to GVA will help restore public finances. So the question is this: what can be done to stimulate economic recovery, and what is the role of transport within that?

Consider what active measures the Treasury could seek to stimulate GVA growth. As the most porous of the world's larger economies, built on the notion of trade, we are more exposed than most countries to global influences, and less able than others to manage business or industrial regeneration. But we must use the strengths we do have in the private sector because there's no other way to increase net exchequer revenues.

> **Those of us in the transport sector need to be showing the leadership of ideas to achieve economic recovery**

This is the key to unlocking the transport policy mix we need. Creating wider catchments for employers, reducing journey time unpredictability, speeding up business connections, opening up inward tourism opportunities: these are the type of changes that really have an effect on the efficient working of businesses. They're up there with skills and training as the prime requirement for a growing economy. They create higher GVA, and can do so relatively quickly.

This is not the only agenda for transport policy to address. The way that the economic imperative to increase GVA is met has to be one that reduces fossil fuel dependency and enhances social equity.

We already have highly developed appraisal tools in transport, and it's time to use them. Our audience is the Treasury and prospective chancellors, not Department for Transport ministers and their shadows. The message is that transport cannot be neglected in the challenge to bring about economic recovery.

There will be many views on the right policies for transport to deliver its GVA stimulus. A balance might be struck which would see users pay more, travel concessions extended across social groups on a less heavy-handed basis and a recognition that in public transport at least, choice comes at a high price, including a loss of connectivity and customer comprehension.

We can forget, however, the complexities of congestion charging, or indeed any charging system that can't compete with fuel taxation for efficiency in collection costs. And we'll need a strategy to replace duty on fuel for when private cars switch to electric/hybrid in any event.

The investment focus would surely be on cities and their inter-connections, seeking to support the lower-carbon urban lifestyle. This requires a renewed and much stronger sense of the need for spatial planning as an accompaniment, as called for in the recent report from the T&CPA and LGA – *Connecting Local Economies*. To this we could add the need to re-think the case for investment in the single-carriageway main road network, where accident rates are at their highest.

So will this stir the political juices this side of the election? Only if we mange to get transport to be seen as part of the solution when discussing the state of the economy, not part of the problem.

**Jim Steer is a director of Steer Davies Gleave and was responsible for strategic planning at the erstwhile Strategic Rail Authority.**

# Civil servants should cast the beam from their eyes

A new report blames politicians and sofa government for a series of policy disasters. But bad advice from ministerial advisers is at least as much at fault

Who is responsible for the rotten state of Britain? The Revenge of the Mandarins – alias last month's report by the Better Government Initiative, written by a group of former senior civil servants – puts the blame squarely on politicians.

Any fair observer would accept that sofa government, as practised by both Tony Blair and Gordon Brown, and in her more manic moments by Lady Thatcher, has a lot to answer for. The poll tax, the Dangerous Dogs Act, the multiple failures of the Child Support Agency, the mess of child tax allowances, the Millennium Dome, and the endless changes to the criminal justice system are just a few of the politically inspired cock-ups in the past 20 years. It is hard to disagree with the thesis that this is a country which has not been well governed.

But after reading the report last week, I couldn't help reflecting that Whitehall is too complacent about its own role. Apart from one fleeting acknowledgement that "civil service culture and processes are too tolerant of mediocrity," the mandarins fail to consider their own responsibility.

Take railway privatisation for example. John Major's government in its dying days was determined on a fundamental reconstruction of the railways. It was finally agreed in an ill-tempered Cabinet meeting which spent barely 15 minutes discussing the issue. The Conservative ministers of that era, notably Cecil Parkinson and Malcolm Rifkind, are squarely in the frame, not least because they could not decide what they wanted to do. As a result, the view of the Treasury mandarins prevailed that the way to maximise revenue and encourage competition was to split track and operations. Both ideas proved to be fictitious. Government rail subsidies are triple their pre-privatisation levels without much noticeable improvement in services.

A decade later, the Labour government went down the same unhappy route when it accepted a compromise dreamt up by the Treasury of splitting London Underground into two infrastructure providers, leaving operations in the hands of TfL.

The Treasury regards the railways as a black hole. Scepticism is understandable. But does it make sense to reduce rail spending at a time when passenger numbers are growing strongly and overcrowding is becoming acute? The railways need more investment, not less. As the roads become congested to the point of paralysis, the case for rail strengthens.

A notorious reversal for which civil servants were largely responsible

> **Treasury mandarins' view, that the way to maximise revenue and encourage competition was to split track and operations, proved to be fictitious**

was the aborted lorry road pricing scheme. The role in developing the project was shared between Customs and Excise, which was nominally responsible, the Treasury, which held the purse strings, and an increasingly sceptical Department for Transport. The result of this messy divided control was complexity and cost, so that in the end the scheme fell apart under its own weight.

Alistair Darling and Gordon Brown, respectively then transport secretary and chancellor, cannot avoid their share of the blame, but they were badly advised by their civil servants. Did any of them actually go and look at Germany's plans to introduce satellite pricing of lorries? I am not aware of any civil servant using this experience to argue for a simplified, straightforward scheme. The vacuum in policy will one day have to be filled by the introduction of satellite-controlled charges on foreign-owned lorries, but many years will have been lost, not to mention hundreds of millions of pounds.

The belief that this country is so different in character and geography that it has little to learn about transport from Europe has been seriously damaging. This chauvinism, deeply embedded in both the Treasury and the Department for Transport (DfT) has been responsible for a series of expensive policy failures.

The view that we British are different (ie wiser, more rational and less profligate) reached its nadir two years ago in the Treasury-dominated Eddington report. Dismissing plans for the development of a high-speed rail network, the report argued that Britain's compact geography meant that 200mph express trains would be an expensive luxury. A paper published as an appendix to the report by a former senior economic adviser to the DfT claimed that demand for inter-city travel was so low that high-speed rail lines would be uneconomic.

We have got away, thank goodness, from such nonsense. But that is almost entirely due to an exceptional transport secretary, Lord Adonis.

The relationship between civil servants and politicians is not an easy one. But if ministers are to perform well, they need to receive good advice. Even ignoring our poor levels of investment, the state of Britain's transport networks indicates there is no room for complacency.

**Adam Raphael, a former executive editor of *The Observer* and transport correspondent of *The Economist*, is the associate editor of *Transport Times*.
He is a former presenter of BBC's Newsnight and an award-winning investigative journalist.**

# Pedestrianise Oxford Street or risk terminal decline

Thousands of pedestrians and hundreds of buses make London's main shopping street a nightmare, but the argument that solutions are too complicated won't wash

Walking in a Soho street on a January Saturday night with my partner and a couple of friends, I was stopped by a policeman: "Please walk on the pavement," he barked at me. I was in no mood to obey. Lisle Street, which runs parallel to Chinatown's main drag, Gerrard Street, has tiny pavements and little traffic. There were hundreds of pedestrians and virtually no cars. In any case, I had got used to walking in streets as they were safer, because they were gritted, than the pavements in much of London during the freeze.

Moreover, Special Constable Pyle had touched a raw nerve. There are no rules governing who uses streets. People are allowed to walk on them providing they are not obstructing the highway. I wasn't since there was no traffic.

Pyle, who was all of 19 and bore such an uncanny resemblance to Austin Powers that I could not help feeling he might be part of a reality TV show, ordered me on to the pavement where he took five minutes to fill out a stop form, to the embarrassment of his fellow PCs. Pyle handed me a copy of the laboriously completed form together with a leaflet asking me to help combat terrorism. Not the best way to do it.

The Pyle worldview is clearly that cars must have priority and pedestrians are a nuisance who must be got out of the way. This is a fundamental aspect of the attitude of highway engineers and town planners which is only now beginning to change.

Examples of this attitude abound. On the crossing on the A1 Holloway Road near my house, it takes up to a minute – it seems longer – for the signal to change to let through cyclists and pedestrians. Similarly, in Bristol, according to John Grimshaw, the founder of Sustrans and now a freelance engineer, such lights always take 40 seconds to change "because they are worried that there will be rear end shunts if they change too quickly and they don't want the lights to stop if there is just one cycle or pedestrian".

Yet in Woking, which I visited recently to see what progress the local cycle team was making, they have installed Toucan crossings for bikes and pedestrians which stop the traffic instantly.

They have also put in crossings which are not staggered and consequently without a pedestrian pen in the middle. That is a design that is opposed by many highway engineers because they fear it will disrupt traffic – but there is no doubt that it is better for pedestrians.

The most obvious example of the wrong priorities has to be Oxford Street. A report just produced by the London Assembly, *Streets Ahead*, highlights the nightmare quality of the environment and the dangers posed to pedestrians. There are a staggering 300 buses hourly at peak times. The street has an accident rate 35 times the London average and pollution levels nearly five times as high as EU limits. Yet taxis are still allowed to ply their trade in the street – because TfL has been too scared to boot them out.

> **TfL planners need to treat the issue as if bombers had blown up Oxford Circus and blocked the whole area**

The report's conclusions are rather mealy-mouthed. It says solutions are not easy and it suggests possibly a part-pedestrianisation. However, the report rightly found that there has been no examination of a long-term strategy for Oxford Street and calls for the Mayor to be involved in such a process. But it does not sufficiently consider the only realistic solution: total pedestrianisation.

Peter Hendy, the Transport Commissioner, and his colleagues at TfL always argue that caution is necessary and that closing the street would disrupt the whole of London's bus system and overcrowd the Tubes. Steve Norris, the chair of TfL's surface transport panel, warns of "unforeseen circumstances" from large changes to the transport system.

It's all negative nonsense. Kick out the taxis tomorrow, and remove the buses. Allow people to walk in the street, since there are flows of 29,000 hourly. Already Oxford Street is closed for one day a year and London copes, so why not make it permanent?

The notion that all this is impossible and we need to wait for Crossrail is just defeatist. Oxford Street has five Tube lines serving it already. Of course there might be extra congestion on them; yes, rerouting buses is complex – but doable. TfL planners need to treat the issue as if bombers had blown up Oxford Circus and blocked the whole area. Then, just as Network Rail built a new station in Workington in under a week, rather than the five years it normally takes, solutions would be found.

The real issue is that pedestrianisation might make people walk a bit further – but that is what happens on every equivalent shopping area in European towns. By all means allow a few minibuses, preferably electric, to circulate at walking pace as they do in Vienna, and put in lots of taxi ranks on the side streets. But take radical action or the street will die.

**Christian Wolmar is a writer and broadcaster who writes a regular column for *Rail* magazine.
His new book, *Blood, Iron and Gold: How The Railways Transformed The World*, has just been published by Atlantic Books. For a special offer, see page 38.**

tony ciaburro

# Local transport plans are key to council aims

## Against a backcloth of spending constraints, wide consultation will be needed to make sure the latest generation of LTPs is genuinely in tune with local objectives

As local authorities turn their attention to the preparation of Local Transport Plan 3, many will be questioning how best this should be done in the current economic climate and with the range of uncertainties that it brings. New guidance, supplemented by regional workshops, has provided a much-needed steer, but still leaves many questions unanswered.

At the forefront of the minds of local highway and transport authorities will be the issue of how best to plan against a backcloth of forecast stringent cuts in expenditure that could lead to considerable uncertainty as to what can actually be achieved on the ground. This brings into question the relevance and role of LTP 3 over the foreseeable future.

While the new guidance provides a much welcomed relaxation in the rules governing the preparation of the plan, together with a light touch approach to government monitoring and evaluation, LTP 3 remains a statutory document that will feature in any future Comprehensive Area Assessment (CAA). Consequently, it would be remiss of any local authority to underestimate its importance and value.

The "consultation" associated with the next LTP will continue to be a critical feature of its preparation, but many will challenge the extent of effort required to produce plans that may turn out to be of limited effectiveness as a result of budgetary constraints and reduced capacity and resources.

It is understandable if the top teams of local government question the relevance of LTPs when serious consideration is being given to cuts in social and education services as well as other competing demands.

Although LTP 3s will not be subject to a burdensome assessment by the DfT, they are unlikely to escape the watchful eye of the Audit Commission as part of the CAA process. In many ways this will be a productive development as councils will be forced to ensure that their transport policies and infrastructure plans will relate more closely to wider outcomes than ever before and that they are truly cross-cutting in approach. This could see the demise of the silo-based thinking that has dogged the transport sector for many years.

In recent times we have seen variable performance in transport delivery, resulting in little being achieved by way of desired outcomes. Although there have been good examples of localised increases in bus passengers and cycle use, too many areas have continued to see a decline in both, and the level of walking trips is still not what it should be.

> **'A recent report has shown that scrapping the Comprehensive Area Assessment would save more than £2bn and improve council performance'**

The increased relevance of transport to CAAs should help to ensure that investment is targeted wisely on interventions designed to tackle wider policy goals. These include the reduction in negative health and environmental impacts and the achievement of economic aspirations, rather than focusing on narrow targets without understanding the true benefits or impact on people's lives.

What we need is a radical reform of inspection regimes such that we engender a more locally-owned approach to performance assessment, with councils demonstrating that they are the closest level of government to the citizen and best placed to determine which services need to be improved and how this should be achieved.

Ironically, a recent report has shown that by scrapping the CAA we would save more than £2bn and probably improve council performance. A survey of European countries revealed that 66% had "not very extensive" or "non-existent" centralised performance management powers. However, it is unlikely that local people will accept self-assessment of LTPs unless they are an integral part of the process.

The approach to LTP 3 varies widely across the country. Some authorities are repeating previously adopted approaches; others are considering rolling forward their LTP for one or two years, while a number will be thinking about a fundamentally different approach that more closely aligns with their local objectives and desired outcomes.

Whatever approach is taken, it is certain is that councils do need LTP3s and there is no desire to return to anything like the old days dominated by the notorious Transport Policies and Programs (TPP) mechanism, with the annual rush to spend money at the end of the financial year or lose it.

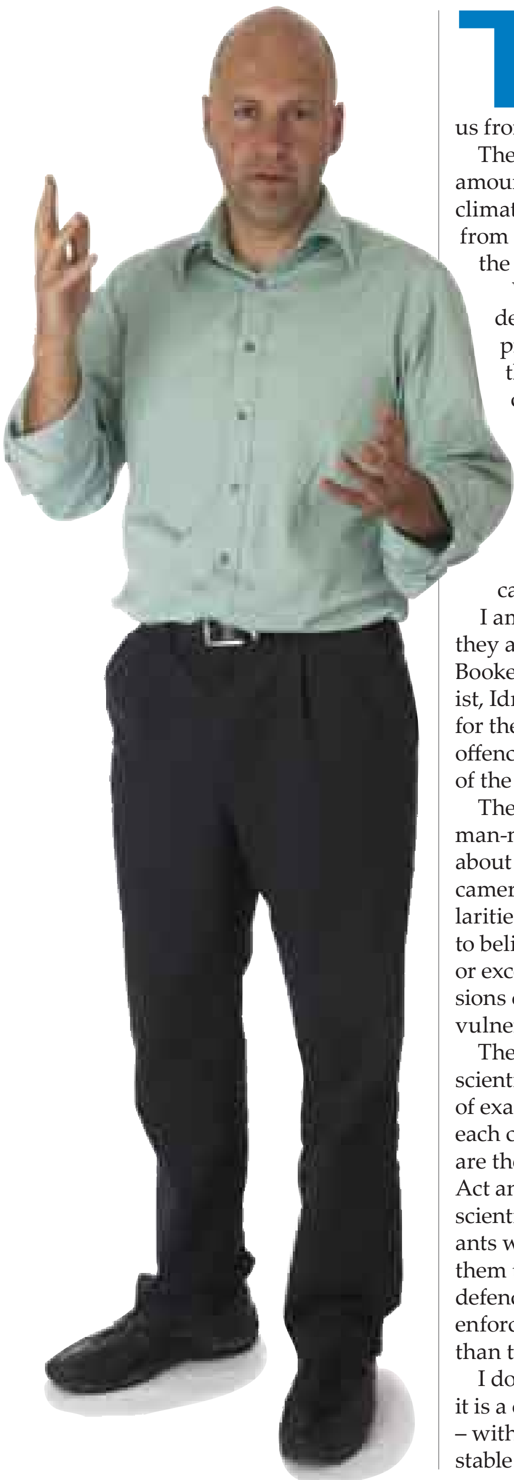
The government intends to require local authorities to display details of their spending programmes online from the summer as part of a drive to greater transparency surrounding council spending. This will draw attention to LTPs and question whether or not they have evolved through proper public engagement and consultation, and address local priorities as opposed to top-down targets.

It is important that transport authorities take full advantage of this opportunity to help ensure that their services are seen as central to meeting wider challenges such as climate change and supporting the economy as we emerge from recession.

**Tony Ciaburro is corporate director for environment, growth and commissioning at Northamptonshire County Council.**

# An inconvenient truth for those who like convenience

The speed camera sceptics who think climate change is a conspiracy are angry about having to adjust their behaviour for the benefit of others



There are a few dozen ageing, white men who are spending their retirement working tirelessly to saving us from the evils of speed cameras.

The same men also spend large amounts of time spotting flaws in climate science in order to protect us from global warming alarmists and the miseries of a low-carbon future.

What an extraordinary coincidence that these selfless men have picked these two issues from the thousands of possible good causes to which they could have devoted their fading years.

They are not inspired to help starving Africans or find shelter for the homeless but they become deeply passionate whenever you mention cameras or the climate.

I am referring to such men – and they are all men – as Christopher Booker, the *Sunday Telegraph* columnist, Idris Francis, who campaigns for the right to silence on speeding offences, and various senior members of the Association of British Drivers.

They are all as sceptical about man-made climate change as they are about the life-saving benefits of speed cameras. There are remarkable similarities in their reasons for refusing to believe that either excessive speed or excessive greenhouse gas emissions can have fatal consequences for vulnerable people.

They accuse the Government – and scientists – of using flawed data and of exaggerating the risks. In pursuing each cause, their preferred weapons are the Freedom of the Information Act and the blogosphere. They hound scientists, researchers and civil servants with hundreds of emails, forcing them to spend most of their time defending the science behind camera enforcement and climate policy rather than taking action to save lives.

I do not believe for one second that it is a coincidence that these men hate – with an equal passion – Chief Constable Richard Brunstrom, the camera champion, and Al Gore, the climate change prophet.

The sceptics are drawn to these two issues by the same belief in their God-given right to decide for themselves how to behave; to drive as fast as they like and spew out as much carbon dioxide as they wish without interference. A recent US study, reported in the scientific journal *Nature*, found that "those who favour individualism over egalitarianism are more likely to reject evidence of climate change and calls to restrict emissions".

These individualists also consider their assessment of the risks to be far superior to that of mere scientists.

> **These individualists also consider their assessment of the risks to be far superior to that of mere scientists**

They select data from particular decades to argue their case, overlooking longer term trends. They call it an "inconvenient truth" that the global temperature in the past decade has not returned to the peak of 1998. Until recently, they also claimed that cameras were actually making the roads more dangerous because their introduction in 1994 coincided with a reduction in the rate of decline in road deaths.

The sceptics have quietly dropped that argument, however, because in the past two years there has been a sharp dip in road deaths. Camera numbers have remained steady but speeding offences have fallen. Drivers are finally getting the message and slowing down. Other factors, such as better crash protection in cars, may have been played a bigger role than cameras in saving lives but sceptics can certainly no longer claim that cameras are counterproductive.

Perhaps one reason why camera sceptics refuse to accept that our carbon emissions are causing warming is that, if they did, they would have a moral obligation to slow down regardless of the road safety issue. In January, the Sustainable Development Commission said 52% of cars exceeded the motorway speed limit and enforcing it would save 1.4 million tonnes of carbon dioxide a year.

The ABD was particularly enraged by the commission's call for enforcement of 20mph limits. The commission said this would not only result in lower emissions per vehicle journey but would encourage more people to walk and cycle on calmer, safer streets.

Its boldest recommendation was for Intelligent Speed Adapation – or speed limiters – to be fitted to all public sector vehicles: "Given that 28% of all business and commuting journeys by household cars are carried out by public sector workers there is tremendous scope for this technology to help reduce deaths and injuries, carbon emissions and fuel costs within the public sector."

To the camera sceptics, ISA is the Big Brother who wants to take control of their cars and suck all the thrill out of motoring. In the world of climate change, carbon rationing is the equivalent of ISA: the state decides how much you can emit, just as it decides how fast you can drive.

At the moment, the sceptics appear to be winning both battles: politicians dare not talk about ISA or carbon rationing because they think the public would not accept such curtailments of personal liberty. Yet a case for both can be made which should appeal even to the libertarian. It is worth sacrificing the freedom to guzzle fuel and raise dust in order to obtain the much greater freedom afforded by safe roads and a stable climate.

**Ben Webster is environment editor of *The Times*.**

# It's vital to set the right priorities for investing in rail

Electrification, high speed rail and improvements for freight are among that areas where ASLEF wants to see investment directed – but smaller scale schemes should not be forgotten either, says **Keith Norman**

I was interested to read the figures quoted in November's *Transport Times* from the Credo Group for Invensys Rail which showed that every £1 invested in rail by the government generates an additional £1.30 from the private sector – in other words investment in transport has a stronger multiplier effect than other sectors of the economy. As the UK's train drivers' union, ASLEF welcomes this research which endorses the calls the union has consistently made for greater investment in rail infrastructure.

It's more important than ever to invest in rail, given its potential to boost the economy in the short term by generating counter-recessionary employment across the industry while providing long-term assistance to the Government in meeting its climate change targets.

More broadly, rail investment could also increase employment across the construction, motor manufacturing, intermodal, steel and infrastructure sectors by improving the distribution networks for these industries.

ASLEF has long taken the view that the key objectives for investment in the railways should be to secure increases in capacity and to reduce carbon emissions by facilitating a modal shift from tarmac to track.

For instance, in the short term we've welcomed plans announced in July to electrify the Great Western Line and Chat Moss Line between Manchester and Liverpool. In the short to medium term, we hope this can be extended to the Midland main line and some of the suburban routes around Sheffield and Leeds, and that the completion of the third rail across the southern region can be achieved.

Moves towards greater electrification, of course, pose serious questions about rolling stock procurement in the longer term and must incentivise us to go electric.

I don't need to remind readers that rail freight provides a low carbon, energy efficient, safer alternative to road distribution which can help the government achieve its carbon reductions targets. The union believes that further investment in the sector is essential, not least because the current funding of £220m for the strategic freight network is woefully inadequate, representing around half the cost of redeveloping Birmingham New Street Station, for example.

We strongly support the concept of a Eurorail Freight Route, as advocated by Kelvin Hopkins MP, linking the Channel Tunnel to Glasgow via all the main economic and population centres up the backbone of the UK. It would require only 14 miles of new track, nine and a half of which would be tunnels. Such a dedicated route would cost less than £4bn and could relieve huge amounts of capacity for passenger rail services on the East and West Coast main lines.

**"We hope Sir David Rowlands will recommend a connection to Heathrow as part of his High Speed 2 recommendations"**

In the long term, high speed rail is the only credible way to create a fast, low carbon, 21st century rail network which will free capacity on existing inter-urban routes, help alleviate congestion on roads and provide a viable alternative to unsustainable domestic aviation.

One only has to consider that Eurostar, for example, carries roughly 80% of all traffic between London and Paris while rail has a paltry 15% share of all passenger journeys between the London and Scotland to gauge the possibilities for the modal shift high speed rail can trigger.

So we hope Sir David Rowlands will recommend a connection to Heathrow as part of his High Speed 2 recommendations. Such a step will be vital to ensuring high-speed rail contributes to carbon dioxide reductions by encouraging passengers from Scotland, Manchester and Newcastle to switch from air to rail.

Nonetheless it's vital to balance both long term and short term investment priorities and ensure that the grand macro schemes such as high speed rail don't overwhelm those small but significant micro adjustments. More consideration should be given to disused lines in order to enhance capacity – such as in the southern region where reopening the Lewes-Uckfield line could help relieve the bottlenecks in and out of Gatwick Airport station.

Control period 5 will therefore be of huge significance in setting the post-2014 priorities for long term rail industry investment – and who knows how the political, economic and transport policy landscapes will look?

We know from Crossrail that getting the right balance between public and private sector funding for long-term infrastructure projects such as high speed rail is an intricate equation, and a vital one to ensure we move towards a more level playing field between road and rail.

**Keith Norman is General Secretary of ASLEF.**

**Keith Norman: "Key objectives for investment in the railways should be to secure increases in capacity and to reduce carbon emissions"**

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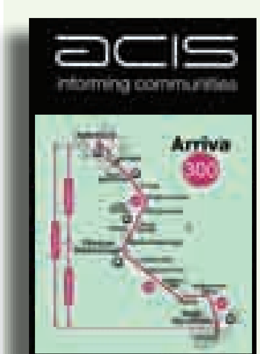


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# Outbreak of consensus?

As in previous elections, transport is unlikely to be a headline-grabbing issue. But for once this could be an advantage. **David Fowler** reports from last week's Great Transport Debate

Commentators bemoan the fact that transport is rarely an election issue. And a survey of 141 Conservative candidates, reported elsewhere in this issue suggests that this year's election will be no different, with transport a low priority.

However, last week's *Great Transport Debate*, staged by *Transport Times*, revealed a different perspective, demonstrating an emerging consensus over wide areas of policy.

Amid deepening concern about how severe the spending cuts facing transport may be, there is a chance this could work in transport's favour, especially if no party emerges with an overall majority.

As Liberal Democrat shadow transport secretary Norman Baker put it, in a hung parliament it is in areas where there is political consensus that most progress is likely to be made.

That is not to say that there will not be a range of challenges facing whoever wins the election.

Prior to a question and answer session bringing together Transport Secretary Lord Adonis, shadow minister Stephen Hammond for the Conservatives (Theresa Villiers being absent on constituency business) and Mr Baker, a series of experts put forward their views of these challenges and the policies they urged politicians to adopt to address them.

Chair and *Transport Times* publisher David Begg said that if past recessions were a guide, transport could expect cuts at twice the general level because of the commitment to ring-fence areas such as

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Setting out the challenges: (l-r) Prof Stephen Glaister, Tony Travers and Stephen Joseph

## Fault lines – where the parties disagree

### Aviation
**Labour: still backs Heathrow third runway**
**Conservatives: no expansion at Heathrow.**
**LibDems: no airport expansion in South East England**

### High speed rail
**How should it serve Heathrow: directly, on a spur or via a connection with Crossrail at Old Oak Common? Conservatives expected to favour the Arup hub (supported by Tory thinktank the Bow Group); LibDems had favoured a direct connection, but there are signs emerging of growing support for Old Oak Common.**

### Buses
**Conservatives: against quality contracts, in favour of partnerships between local authorities and bus operators**
**LiDems: favour an extension of London-style regulated services**
**Labour: a halfway house with some support for quality contracts enacted in the Local Transport Act**

### Rail
**All parties agree on the need for longer franchises for train operators; disagreement over how prescriptive the Government should be in franchise specifications, and to what extent Network Rail should be reformed.**

### Road
**LibDems: favour lorry road user charging and national road pricing**
**Conservatives: for lorry road user charging and tolling on new capacity, and would allow local congestion charging subject to local consent; against national road pricing**
**Labour: national road pricing raises too many complex issues and is unproven**

**‘High Speed 2 transfers wealth from the poor to the rich’**

***– Professor Stephen Glaister***

health. And because much rail spending, on franchises and projects set out in the five-year investment programme, is fixed, the rest of transport can expect to be hit even harder.

This leaves public support for buses looking vulnerable. Nor is it clear where funding for road improvements will be found.

Which leads to road pricing. "I'm still in the camp that says until we have a proper pricing strategy on roads we don't have a roads policy," said Prof Begg, adding that he thought the next government would be forced into pricing by financial expediency. Only the LibDems unequivocally support national road pricing at this stage though.

### The challenges
Prof Stephen Glaister, director of the RAC Foundation, set out the principle that rail and road face the same problems of increasing demand resulting from population and economic growth and should be treated consistently. Many road schemes had a similar cost-benefit ratio to that of high speed rail and should be treated accordingly. He criticised the terms of reference for a recently awarded *Delivering a sustainable transport system* research study for ruling out extra road capacity in advance.

Policy objectives should be to improve the quality of life and meet the need for sustainability, not "to get people out of cars" or "to promote rail use", he said.

Long term, road traffic growth was linked to growth in the economy; transport policies had not affected the upward trend. He expected this to continue. Current policies were "nowhere near enough to cope with growth".

High speed rail might generate benefits that outweighed costs but it would still place considerable demands on the taxpayer. With the High Speed 2 report not due to be published till next month, he referred to benefits set out in the study by high speed lobby group Greengauge 21, which suggested most of the benefits – £78bn – would accrue to users, mainly due to journey time savings. The benefits of reducing congestion on the roads and in reduced carbon emissions dioxide were small, at only around £1.7bn each. The high speed link would also generate a lot of new long-distance travel.

Asking what problem High Speed 2 was the solution to, he argued that it would shorten journeys to the Midlands and Scotland and free capacity on the traditional rail network, but it would not greatly reduce carbon emissions, encourage regional economic development or improve social inclusion. Overall, he said, "High Speed 2 transfers wealth from the poor to the rich," as rail was predominantly used by the wealthier in society.

To reduce road transport emissions the best way was to attack the problem directly: replacing existing vehicles by more efficient ones (using current technology) and introducing road pricing to manage demand.

National road charging could help to reduce emissions, would manage demand and make more efficient use of the road network, and would generate funds for capacity improvements. It would be more palatable than letting congestion continue to grow or increasing fuel duty or vehicle excise duty to pay for capacity improvements.

It would have to be linked to reform of road funding, probably through making the Highways Agency independent and ring-fencing the revenue raised, to make it acceptable to the public, as the RAC Foundation has previously argued and will elaborate on in a new document shortly.

Stephen Joseph, executive director of the Campaign for Better Transport, said that under the expected budget constraints the focus should be on improving and maintaining the existing infrastructure, and on giving people real choices including reducing the need to travel, for example through suitable land use planning policies.

Smarter choice measures were successful in reducing emissions and should be brought into the mainstream, he said, alongside investment in off-road walking and cycling paths. He called for a continuation of the green bus fund (designed to stimulate the market in low-emission buses) and in rail investment. Sustainable travel towns had been a success and should be extended more widely.

New government policies should be subject to a transport test and there should be a test for access to public services.

Travel for work should be reduced: it represents 28% of emissions from land transport and is mainly due to single car drivers. To connect communities there should be an increase in demand responsive transport for rural areas and more door-to-door public transport.

"Smarter spending" would include giving priority to maintaining and improving existing networks. There should be more devolution to local level. He called for a "save the bus" campaign to counteract the danger that bus funding could be eroded on three levels: reduction of bus service operators' grant, cuts in local council spending affecting tendered services, and a cutback in concessionary fares. "We need to make the voice of bus users audible nationally," he said.

Rail lines should be reopened where possible and closures should end.

Inaccurate forecasting and modelling, poor cost control, and the latest appraisal methods made large road projects poor value, he argued. He backed road charging as a way of raising funds, starting with lorry road user charging which is supported by the freight industry. There should be more taxes on aviation including per plane charges; tax should be paid on fuel for domestic flights.

He set out a number of conditions and concerns relating to the sustainability of high speed rail if it goes ahead, including concern about the level of generated travel. Funding should not be abstracted from other transport spending, and it should be accompanied by measures to restrain road and air travel. Stations should be in city centres, not parkways. He also asked how high its speed needed to be.

He warned politicians: "Transport is not high profile – but it can bite."

The view on funding from the LSE's Tony Travers was bleak. Politicians had pledged that a growing list of spending areas would be protected – the NHS, schools, international development, social security. This is moreover a long term trend. A similar attitude is likely to prevail in local government towards, for example, children's services and services for the elderly. "If you do the maths, you're looking at revenue cuts within local government on services such as transport of between 30% and 50% to make the numbers add up," he predicted.

And with the current government having committed itself to a cut of 50% in capital investment between 2011-12 and 2013-14 "it is inevitable that transport will be very sharply cut", he said.

The implications are that there will be increases in fares, parking charges and any form of transport licence. There will be renewed interest in road pricing, and "a huge search for private finance". This is not, however, a "miracle ingredient" and will only work if the government "creates a space in which the private sector can work" and make a profit on any investment.

There will be pressure to cut back on unprofitable public transport services and "a big shift of advantage to civil aviation" which will be able to continue to invest.

There will be little likelihood of major new transport schemes going ahead at national level without radical changes in the capacity to raise income – even if the economy returns to growth this year as forecast. This will lead to the risk of "endless preparation of schemes as a substitute for action" – a fate which could befall High Speed 2 as it did Crossrail for 20 years. Prof Travers warned: "beware false optimism about fabulous new infrastruc-

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## Challenges and objectives

### Stephen Glaister, director, RAC Foundation

**Basic principle:**
- **Rail and road face the same problems; they should be treated consistently and even-handedly**

**The problems are:**
- **Capacity and crowding due to economic recovery and population growth**
- **Carbon**
- **Safety**
- **Public expenditure**

**Policy objectives:**
- **to improve quality of life**
- **to meet needs for mobility (recognising the constraints of carbon, congestion, noise, severance and so on)**
- **Not "to get people out of their cars" or "to promote rail use"**

### Michael Roberts, chief executive, ATOC

**Principles**
- **Rail (and transport) needs to be a political priority – and area for consensus**
- **4Cs – capacity, customers, cost, carbon – remain the main rail policy and delivery challenges**
- **Getting the best of public and private sectors is key to rail success**

**The way forward:**
- **Honour commitments on rail investment**
- **Reinvigorate public-private partnership in rail**
- **Plan ahead for the next 30 years with**
- **Government focusing on setting and funding high-level goals**
- **Longer & smarter franchises enabling TOCs to focus more on quality, innovate in providing outputs, improve value for money**
- **Joint Network Rail-TOC incentives to drive efficiency**
- **Continued primary ORR role in promoting more customer-focused Network Rail**

**Priorities for the day after election day:**
- **Adopt smart approach to next franchises**
- **Resolve key projects eg rolling stock strategy**
- **Flesh out high speed strategy – route, phasing, wider network, funding**
- **Press ahead with review of industry costs**
- **Set out strategy on funding and fares policy**
- **Gear up to HLOS 2**

### Stephen Joseph, executive director, Campaign for Better Transport

**Challenges:**
- **Improve everyday transport**
- **Smarter transport spending, pricing and taxation**
- **If high speed rail goes ahead, maximise its sustainability**

**Principles**
- **Transport should play its fair share in reducing greenhouse gas emissions**
- **With budget constraints, focus on improving and maintaining what we have**
- **Give people real transport choices including reducing need to travel**

### Prof Tony Travers, London School of Economics

- **Transport facing radical change**
- **Transport is not high on any political party's list of services to be protected**
- **Failures to invest, eg in many urban and inter-urban routes, will become increasingly exposed by 2020**
- **Probably better for transport to lobby for 'across the board' public expenditure constraint**

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ture that doesn't get built."

There may be more hope for local and city region authorities, if given more freedom at local level, to implement small schemes – but this would require constraints on prudential borrowing to be relaxed, or innovations such as tax increment finance, over which at present the Treasury is insisting on having final approval.

"There is a risk that revival of growth in the private sector will coincide with a shrinkage in public transport and investment – for five to 10 years," he said, and "a return to boom and slump in transport investment, leading to an endless backlog of under-investment."

He noted that even after 15 years of economic growth up to 2008, and 10 years of the fastest growth in public spending in Britain since the 1950s, "our major cities outside London have still not been kitted out with urban transport systems to rival Lyon, Barcelona or Boston."

The best position for the transport lobby to adopt, he argued, would be to press for across the board cuts – flat rate cuts affecting all services rather than protecting some at the expense of others. "If the government after the election decided just to give everything a flat rate cut, transport would be much better off than under the other mechanism."

# The politicians' view

In a rare joint appearance the Transport Secretary and shadow ministers took part in a joint question and answer section, with Manchester City Council leader Sir Richard Leese to give the local and regional perspective.

Setting out the Conservative position in an opening address, Stephen Hammond referred to the survey of 141 Tory candidates and stressed that if they had been asked about local transport it would have been much higher up the list of priorities.

"Making travel easier around the country must be an overall priority for anyone coming into government," he added. But he said a change of culture was needed: "This government believes in micromanagement."

> **Making travel easier around the country must be an overall priority for anyone coming into government**

The Conservatives have committed themselves to high speed rail on the London-Birmingham-Manchester corridor initially as well as publishing how it would be funded with "a very detailed financial model".

It has also published a detailed policy document on the railways. It would look at Network Rail which he described as "a monopoly, a monopsonist and almost wholly unaccountable and untransparent, Any government that didn't bring forward proposals to at least look at it would be wrong," he said.

He welcomed the government's agreement on the need for longer franchises, adding "I still don't think we need to specify egg mayonnaise sandwiches at Birmingham International" in a further reference to micromanagement. Mr Hammond also took issue with the Government over rolling stock procurement, where he said that over-prescription had been detrimental, slowing down progress.

The Conservatives support lorry road user pricing, are against national road pricing but favour tolling new capacity. A strategic challenge for any government would be to develop a roads programme. The government has a programme to 2014 to relieve bottlenecks but even when built, "the roads will be even more congested at the end of it".

On carbon emissions the role of the government was not to back a particular technology but "to ensure there are no barriers to its introduction and to provide fiscal incentives".

On aviation he reiterated the party's opposition to the third runway.

Norman Baker said "The traditional role of the Liberal Democrats is to put forward policies which the


**Sharon Kindleysides, managing director Kapsch TrafficCom : *Why are politicians so scared of road user charging?***
Sir Richard Leese said that following the rejection of Manchester's transport plans, which were underpinned by a congestion charge: "Now we have a transport investment package which is very good, but it's half the size of the original, and now all the public of Greater Manchester will pay through the council tax rather than some of them paying the congestion charge.

"We had one arm tied behind our back by the government's insistence that the only funding model we could take was one that included the congestion charge. If we could have gone to the public and said we have this package of improvements which you can pay for out of council tax or through a congestion charge I think we might have got a very different answer."

*Lord Adonis*: "Road pricing introduces a lot of complex issues to resolve – the use of the revenue, whether it should be revenue natural and how it would relate to other motoring taxes. We as a government came to the conclusion that consensus couldn't be reached in this Parliament. No country has yet introduced a national congestion charge. We would like to wait for the Dutch to show it can be done."

*Norman Baker*: "We support pricing on the trunk network. We believe that if revenue is returned to motorists they will support it. We think it's progressive: by and large there are public transport alternatives to a motorway or trunk road. It would protect people in rural areas who have no alternative to the car."

*Stephen Hammond*: "We should draw the distinction between congestion charging, road pricing and low emission zones – they are three different things with three different objectives. I think there is a lot of scope for allowing charging to go down to a more local decision but requiring validation either at the time or within 12 months of introduction, and you may well overcome, when people can see the benefits of the scheme, the opposition."

**Ian Simpson, Deloitte: *When challenging decisions have to be made, how should the balance between spending in London and the rest of the country be decided?***
*Sir Richard Leese*: "In terms of, say, Metrolink, the idea that a conurbation of 2.5 million people has to go to national government to ask for funding to get a scheme like that together is fundamentally wrong. We should be able to fund that scheme at a city-region level."

**Claire Haigh: *What policies will you adopt to help achieve the Greener Journeys target of transferring a billion car journeys to bus and coach by 2014?***
*NB*: "We need to have more of what's in the Local Transport Act.

others ignore, then rubbish, then adopt."

The two overriding objectives of policy should be to reduce carbon – "any government that doesn't address this is not being responsible" – and improve the experience of all travellers, from bus passengers or lorry drivers.

On rail he reminded the audience that the LibDems were the first party to back high speed rail, but the key question was how it will be paid for. The LibDems have a policy of reopening branch lines and stations linking to unconnected towns and "redoubling lines that should never have been singled". Most of the network should be electrified by 2040.

Lorry road user charging would provide a revenue stream for rail investment and funds would be moved from road projects to railways. Efficiency on rail needed to be improved: for example, he said, it takes 42 hours to change a set of points in the UK compared with six in Europe.

A fundamental review of Network Rail would leave it with a smaller number of members or directors, more like the BBC Trust, with representatives from Passenger Focus and elsewhere.

"We believe the case has been made for road pricing for all vehicles on motorways and dual carriageways," he said, "to change behaviour and use the network more efficiently." The funds raised would be invested in motorways, with vehicle excise duty and fuel tax reduced to compensate.

On aviation there was "a very strong case for moving to a per plane tax rather than air passenger duty", he said. This would encourage airlines to be more efficient about how they used their planes. A surcharge would be imposed on air fares, which have reduced by 50% in real terms in 10 years. There would be no expansion at Heathrow or anywhere in South East England.

Bus, coach and rail fares had increased in real terms while motoring had become cheaper in recent years. The LibDems oppose increasing rail fares and he promised an announcement on this soon.

Lord Adonis began by endorsing many of the points, commitments and challenges made by earlier speakers. On the structure of the railways he said "I wouldn't start from here," but the franchising system "is working, providing steady improvements in quality and service innovation and it would not be in the public interest to unwind it."

On the spot: David Begg (standing) quizzes (from left) Sir Richard Leese, Norman Baker, Lord Adonis and Stephen Hammond

All parties are now in favour, he said, of longer franchises – Labour would let them for at least 10 years and as long as 22 in return for investment.

Picking up Tony Travers' point about false optimism he said "the bigger risk is not false optimism but no optimism."

On high speed rail he said it was the answer to all the points identified by Prof Glaister – sidestepping the argument that it would have little effect on a number of them. He argued that a high speed line would be more cost-effective than to attempt to upgrade the capacity of the existing network further: "We would have got better value if we'd started high speed rail 10 years ago instead of the West Coast Main Line upgrade."

We wanted to go further than the Government did to give more control to elected local politicians over the structure of the routes that should be operated. Partnerships or quality contracts are fine – we think you need to go further down that route to give more power to local areas. Beyond that there should be more co-ordination between bus and train. Not a single bus stops at Lewes station in my constituency."

*SH*: "I certainly don't believe in quality contracts. I would like to see more work under partnerships. London has gone from a net subsidy of zero to £800m in 10 years. Partnership is the way forward. I think that there is some basis for partnerships on small bundles of routes, rather than treating them route by route.

"Part of the answer, which involves no money at all, is educating the public. How many people in this room knows someone who drives half a mile to a shop? The next government really needs to grasp that."

*RL:* "I don't know any politician of any party in Greater Manchester who doesn't think deregulation has been a disaster. We also need a lot of investment in helping people understanding how to make modal shift. They may not have been on a cycle of bus for 20 years."

**Anonymous questioner:** ***How should Heathrow be connected to high speed rail: should it be served directly, via a spur, a loop or via Old Oak Common?***

*SH:* "It would be wrong at this stage to confirm a route. If you must have a line that goes through Heathrow, where exactly in Heathrow are you going to take it? If it went to Terminal Five it might take you as long to get to Terminal One as it would to a connecting station elsewhere. That there is good connectivity is the key point. It's too early in the debate to make that final decision."

*NB:* "I started with the assumption that Heathrow had to be connected in. I've started to move away from that view over time because there's a 15-minute penalty if you go by Heathrow – that's got serious knock-on effects for the journeys from Manchester and everywhere else. If you have a loop the costs of the loop have to be borne by those who are going to use Heathrow and wouldn't otherwise do so by train, and that's quite a small group. So I'm coming to the conclusion that you don't roll in high speed rail to Heathrow but you have Old Oak Common, which I suggest should be called Heathrow North and it's sold that way."

> **"No, we won't reconsider. The aviation industry should be paying its fare share of taxation"**
>
> ***– Lord Adonis***

**James Forster, British Airways:** ***Air passenger duty underwent a considerable increase in November 2009 and there will be almost another doubling in November 2010. This will cost the UK jobs. Will the government reconsider the November increase?***

*AA*: "No, we won't reconsider. The aviation industry should be paying its fare share of taxation particularly at this time when the public finances are under great strain. We don't see any evidence that it is having a detrimental effect in practice on the airlines. Those who wish to see this tax removed need to answer the question who is going to be taxed in its place if we don't have the £2bn we get from APD each year."

# What makes a good bus service?

Network design consultant Réseaulutions has drawn together a wide range of information that allows a more detailed comparison of urban bus services than ever before. There are some surprising results, says **Stuart Linn**

There is a large amount of information publicly available on the performance of the rail industry – including reliability, punctuality, passenger use and subsidy (or premium payment) levels. It is, perhaps, surprising that it is not possible to assess the relative performance of the UK's bus networks.

Obviously, operators' financial data is available – although this tends to be down only as far as subsidiary level. Information on local authority financial involvement, in particular for tenders, concessionary fares and scholars' travel can be found – if need be using the Freedom of Information Act. However, there is no collation of the data by urban area.

Réseaulutions identified the fact that the information on UK bus networks was available but was fragmented and took the decision to collate the accessible information.

At Réseaulutions, we thought there might be value in trying to pull together data for distinct urban areas – a similar concept to the CERTU directory in France. For the first phase, only easily obtained publicly available information has been used.

This covers population, number of senior citizens, number of vehicles on the core all-day network, perceived frequencies, scheduled bus speeds – both off peak and in the peak – bus operating group(s) and level of competitive activity. For the time being, only the 131 English non-metropolitan areas are included. The Comparison of Urban Bus Systems (CUBS) is available, on the web, at www.reseaulutions.com.

Apart from the raw data, CUBS allows comparisons of a range of performance indicators to be made, for which we have produced "scatter diagrams". Each urban area is given a two-letter code; most of the scatter diagrams show these codes in a comparison between the indicator and population.

**"The presence of two or more operators on a network clearly does not lead to a better level of service"**

At the outset, CUBS had to answer some fundamental questions:

### What is an urban area?

In some cases this can be assessed easily: York, Exeter, Salisbury, Shrewsbury, and Guildford are all distinct free-standing towns. But what about Blackburn (should Darwen be in?), Portsmouth (Havant, Waterlooville and Fareham?) or Luton (Dunstable?). And how far should the big cities go out – such as Bristol (Yate, Patchway, Keynsham?) or Nottingham (Long Eaton, Hucknall?).

And in the metropolitan areas is Wolverhampton a free-standing urban area or is it part of the West Midlands; is Bolton free-standing or part of Greater Manchester?

For CUBS, the pragmatic solution has been to consider the contiguous urban bus network – so Knaresborough is part of Harrogate, Shoreham part of Brighton, Fleetwood and Lytham part of Blackpool. As logical urban areas are no respecters of local authority boundaries, CUBS uses wards as the basic geographical unit.

Non-metropolitan urban areas with a population of at least 30,000 and at least six vehicles on urban routes are included. Not included are those networks dominated by routes running into a neighbouring metropolitan area – such as Blyth, Ellesmere Port, Staines and Epsom.

### What is a "good bus service"?

The answer, self-evidently, is one that carries a large proportion of the local transport market. With usage data, it would be relatively straightforward to provide *usage per inhabitant* statistics. Getting behind these figures is more of a challenge.

On the production side, the level of service (frequency across the day and week) is generally viewed as a key factor. For CUBS, all bus services have been allocated a grading (1*, 1, 2, 3 and 4).

So for 1* and 1 the service has to be at least every 15 minutes in the daytime, every 30 minutes early morning and mid-evening and every 60 minutes Sunday daytime and late evening.

If 1* and 1 are considered "good" services, it is then possible to estimate the proportion of an urban area's inhabitants that are within reasonable walking distance of a good bus service.

### How to measure bus speeds?

Bus speeds tend to vary throughout the day – being higher in the middle of the day and higher still in the late evenings. For CUBS, the bus speed is the scheduled speed, including recovery, during the middle of the day. So, if a route is 8km long, takes 25 minutes each way and has five minutes recovery time (therefore a cycle time of 60 minutes), the speed is 16km/h.

Route cycle time can usually be obtained from timetables and the route length from web-based information. Aggregating information for all routes in an urban area, and weighting by resource input, allows the average bus speed to be calculated.

In the peak, with congestion leading to generally slower speeds, operators usually respond with increased resources or wider headways. This can be represented as "peak penalty". So if the route above increases from a 60-minute cycle to 75 minutes, the peak congestion penalty is 25% (1.25 in the table).

### Results

Some of the results are predictable: the larger the town, the higher the probability of there being a good frequency. Nevertheless, the analysis raises a number of interesting questions:

- The spread of results is enormous, even between urban areas with equivalent population. Why should Shrewsbury and Aylesbury have significantly better bus services than Guildford and Crewe?
- No single operating group is either a beacon or pariah – all have urban areas with a range of service levels.
- Predictably, the competition graph shows that the larger the town, the more likely there is to be competition on two or more corridors. However, the presence of two or more operators on a network clearly does not lead to a better level of service – a larger proportion of the urban areas with only one operator are in the upper half of the graph (a relatively large proportion of the population with a good service) while the lower part of the graph (a relatively small proportion of the population with a good service) is dominated by towns where there are two or more operators.

It would seem to follow that the presence of competition is slightly more likely to lead to a lower proportion of the population having a good service.

- The variation in bus speeds is enormous. The "new towns" are well represented in the higher speed part of the graph – which, perhaps, reflects the ability to plan the whole road network. The range of speeds in more traditional towns is wide – from around 13km/h up to 19km/h. The faster a bus is able to operate, the more service that can be provided by each bus and driver.
- The number of vehicles on core all-day routes also has a wide spread – from under two per 10,000 inhabitants to over seven.
- However, number of buses is no guarantee of overall service levels. Chester's seven buses per 10,000 inhabitants provide a good service to less than 50% of the population while Tonbridge/Tunbridge Wells's 2.7 buses deliver a good service to over 70%.

### Where next?

Clearly, adding data on use, tender support and concessionary fares usage and payments together with some measure of external factors will make CUBS an even more useful tool – but this requires data from operators and local authorities that is not currently readily available.

Perhaps more important is to understand better the ingredients for success: what can we learn from Hartlepool, Colchester, Derby, Oxford and Leicester – and how do we sprinkle some of their stardust on the less well-performing towns?

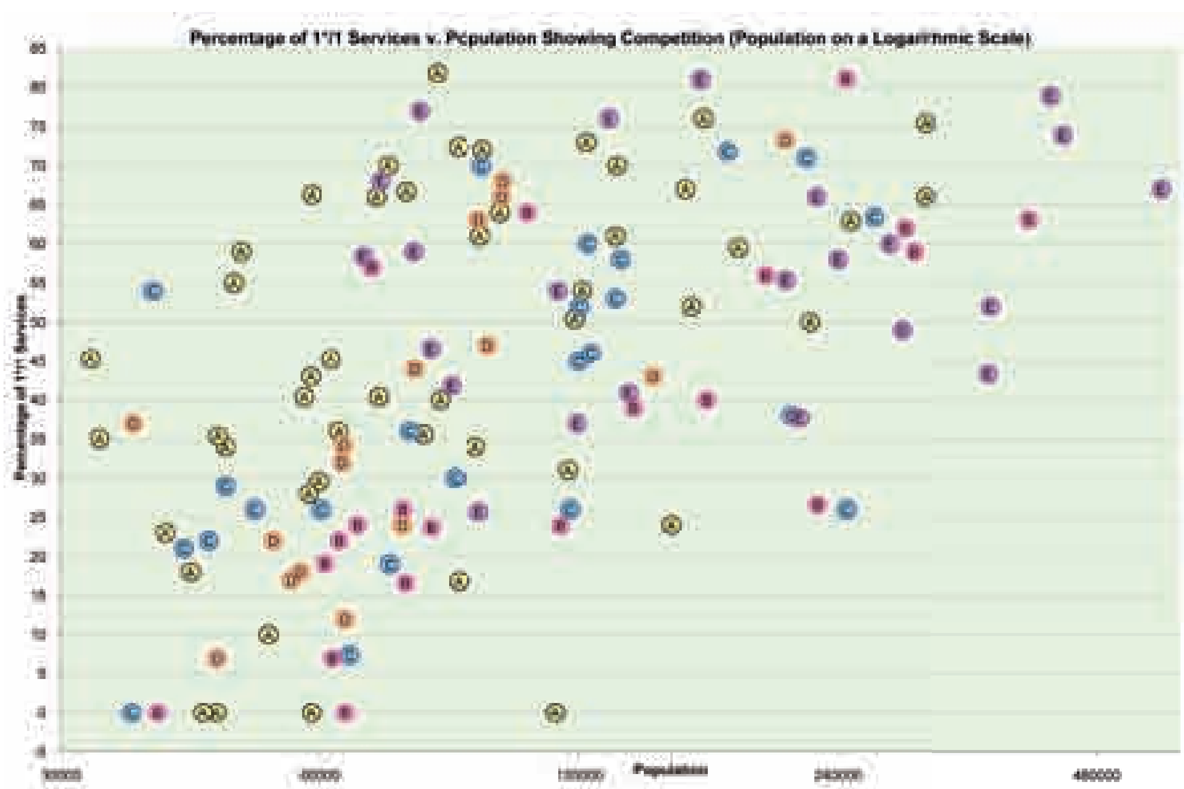
Clearly a range of factors will be important – and not least a positive and active relationship between the operators and local authorities. However, such a relationship is not sufficient in itself to achieve "beacon" networks.

Our experience at Réseaulutions, both in the UK and mainland Europe, strongly suggests that an imaginative approach to all aspects of marketing – but in particular the design of the bus system – can rapidly transform a severely underperforming network. That, however, is another story.

**Stuart Linn leads the Réseaulutions consultancy, which has undertaken network design projects in both the UK and mainland Europe. Contact number is 01983 537594. For further details see http://cubs.reseaulutions.com and www.reseaulutions.com/**

**Comment *by David Begg***

**The Competition Commission should study this report very carefully. As it investigates whether the level of competition in the industry is in the passengers' interest it should not jump to the conclusion that more competition is necessarily a good thing. The fact that a large number of urban areas with only one bus operator provide a good bus service while poorer services are more prevalent in areas with two or more operators should tell the commission that text-book economic theories do not automatically apply to the bus industry.**




**The data shows that having two or more operators on a network does not lead to a better level of service.**
**Key:**
**A: The whole network is covered/largely covered by one operator.**
**B: The network is relatively stable with two or more operators.**
**C: The main commercial network is stable with competitive activity limited to tendered routes.**
**D: There is active competition on one significant corridor.**
**E. There is active competition on a number of corridors.**

# Infrastructure for tomorrow, not just today

Infrastructure needs to be planned for the long-term. Both the British Chambers of Commerce and London First have set up commissions to look into the UK's transport, energy and digital communications needs in a holistic way. Here **Gareth Elliott** sets out the approach of the Business Infrastructure Commission

In December the Business Infrastructure Commission, set up by the British Chambers of Commerce, held its inaugural meeting bringing together key businesspeople from some of the most dynamic companies operating in the energy, transport and digital communications sectors, with the explicit intention to discuss the long-term infrastructure needs of British business.

The commission will sit for one year and report in the final quarter of 2010. It does so, however, at a time when the UK's financial health is at a historic low. A significant role for the commission will therefore be to make the case for continued investment in our nation's infrastructure at a time when budget cuts threaten the types of projects that underpin the productive economy.

The commission will undoubtedly consider multi-billion pound projects. It will therefore be required to put forward a robust case for protecting key investment and capital budgets. It is always easier for any incoming government to reduce capital spending than cut education or health budgets. Yet turning off the taps now, at a time when the UK desperately needs to upgrade its creaking infrastructure networks, will have a devastating economic impact in the long-term.

Failure to build in capacity now will only lead to congestion in the future and the UK is already overly congested. This threatens future growth and jobs. British business thrives on connectivity and access to markets; after all we are primarily a trading nation. It is important that our doors remain open.

It is vital that the long-term economic impact of infrastructure is understood. Good infrastructure impacts upon competitiveness and future growth by attracting businesses and investment, which in turn increases tax revenues and provides much needed employment. KPMG, in its International Survey, found that 90% of business executives said that the availability and quality of infrastructure affects where they locate their operations. Improved infrastructure can therefore be directly linked to economic growth.

Yet infrastructure is a long-term issue and it is vital that plans made now consider the future effects. After all, major projects from the past still affect us today. London's sewerage system, although built 150 years ago, still benefits from Sir Joseph Bazalgette's foresight in doubling the diameter of pipes constructed in London's sewers to take account of the "unforeseen". That unforeseen was tower blocks and if he hadn't taken this decision London's sewers would have overflowed in the 1960s. They are still in use today.

**Good infrastructure impacts upon competitiveness and future growth by attracting businesses and investment**

In looking at long-term needs, the commission will not be seeking to build a shopping list of potential projects that could benefit the UK. Instead, it will look holistically at the UK's requirements across the board by linking up the country's energy, transport and digital communications needs.

It will develop strategies that combine sectors to minimise disruption while yielding the greatest benefit. For instance, the construction of a new high speed rail line to Scotland could be considered alongside the UK's water requirements. Scotland, with a surplus of water, could supply the South of England via a subterranean aqueduct, built in conjunction with and under the new railway line. A simple idea, but this could be added to the UK's changing energy needs whereby the North of England and Scotland could become major suppliers of wind energy to the south with a power duct added into the rail construction.

The current debate surrounding long-term infrastructure needs circles around high speed rail and the additional capacity it will provide, potentially reducing the need for domestic aviation and road use. This discussion is only part of the question. In 30-40 years, high speed rail may only have been in operation for a decade. Airport and road infrastructure demand will have continued to increase over this period, negatively impacting on British business, which will be restricted in its movement of people and goods.

Even when the new railway is in operation, what are the plans after that? Heathrow might have installed a third runway, but if we are to continue to host an international hub, there will be a point when even that additional capacity will be exhausted.

Are we really thinking 30-40 years ahead? Will we need a new airport? What about the road network when the population is expected to rise to 77 million by 2051? Should we consider managing demand on the roads through pricing mechanisms? And these questions do not even take into account our energy and digital needs.

The thinktank Policy Exchange estimated that the UK needs to spend £500bn on infrastructure by 2020, and this is a conservative figure compared with the estimates of some other organisations. If the UK is to maintain its position as a leading economy, it will need to make tough decisions on where it prioritises limited funding. The Business Infrastructure Commission will ensure that infrastructure is at the top of the list and that we develop a cohesive and joined-up infrastructure planning strategy that ensures the UK is ready for business in the long-term, not just tomorrow.

**Gareth Elliott is secretary to the Business Infrastructure Commission and senior policy adviser at the British Chambers of Commerce.**
**More information is available at www.britishchambers.org.uk/zones/policy/business-infrastructure-commission.html.**

**Better infrastructure is a factor in France's productivity being higher than the UK's**

# More certainty is needed for infrastructure planning

Uncertainty, fragmentation of funding and overlapping responsibilities conspire against long-term infrastructure planning in the capital. London First's infrastructure commission will consider how its needs can be met, explains **Sir Adrian Montague**

At a fundamental level infrastructure enables London and its economy to function – for employees to travel to work, for lights to come on and for the internet to connect. Better infrastructure raises productivity.

London is the world's leading financial centre. It needs the right underpinnings in its infrastructure, through transport, telecommunications, energy, water and waste management, if it is to remain at the top of this competitive league. A recent report shows that despite having less flexible labour markets, France has higher productivity than the UK: $53.7 per hour worked compared to $45.4. This, a difference of nearly 18%, is partly because of France's excellent infrastructure.

London's infrastructure is barely coping as it is – much of it is ageing, heavily crowded and has little resilience. But by 2031 there will be 1.3 million more people in the capital, over 900,000 new households and 750,000 new jobs. This means that public transport demand will increase by nearly three million daily journeys as these people commute to work and move about the city, with a 30% increase during peak hours. Statistics for almost every mode of transport predict an increase in congestion and overcrowding.

Addressing London's long term infrastructure provision is critical to London and the UK's economy.

This is why London First has set up an Infrastructure Commission, which I am pleased to sit on, whose aim is to ascertain London's infrastructure needs and to identify means by which they might be met. Along with me are an impressive group of commissioners and our call for evidence has attracted submissions from an even wider range of experts, from infrastructure customers, providers, regulators and academics. They all agree that something must be done.

Although important projects are planned or have been started, such as Crossrail, investment to address London's transport capacity must continue, to meet future demand. At £35bn, the committed investment for these planned projects – tube, rail and Crossrail – is substantial, but the best recent estimate for the cost of investment for the UK's transport infrastructure in the coming years is £120bn. It is clear that there is going to be a gulf between what is needed and what is planned.

But the timescales involved in planning and building infrastructure are very long – the Channel Tunnel was conceived in the 19th century, initially started in 1973, and finally finished in 1994. This illustrates that transport projects do not fall into a single political cycle and it is harder to sustain continued political support for a project.

> **By 2031 public transport demand in London will increase by nearly three million daily journeys**

While the establishment of Infrastructure UK is welcome, the UK, unlike Japan, Canada, or South Korea, does not have an umbrella department to oversee infrastructure development, and unlike Australia it does not have a specific infrastructure fund to deliver major projects.

Infrastructure provision in this country is fragmented, and currently the responsibility of a range of private and public, semi-competitive and monopoly providers with different financing regimes. In the capital most transport is under the jurisdiction of Transport for London (TfL), although there are aspects such as regulated airports and train networks that fall outside its remit.

TfL is an agency of the London Mayor, but is funded both through fares and government subsidies. Its reliance on central government funding means that it does not have the certainty provided by an economic regulator, and is infantilised in terms of the choices that it makes with the money.

Funding for transport can also be gathered through Section 106 contributions, which local authorities negotiate with developers, and the newly developed Community Infrastructure Levy. These fluctuate as sources of funding and cannot be relied on to provide a steady stream of income.

The commission expects that Infrastructure UK will provide a counterweight to this fragmentation but still more needs to be done. London is not an easy space to work in. Providers must work with what is already there.

Unlike purpose-built cities such as Masdar and Dongtan, it is physically complicated to introduce new infrastructure to a well-established city such as London. New systems cannot be put in from scratch and London's many layers of government make for political complexity. Thirty-three boroughs, the Mayor and the Secretary of State can all determine applications for different infrastructure types at different levels. Meeting London's long term infrastructure requirements needs a strategic and co-ordinated approach that considers all the factors that affect life in this great city.

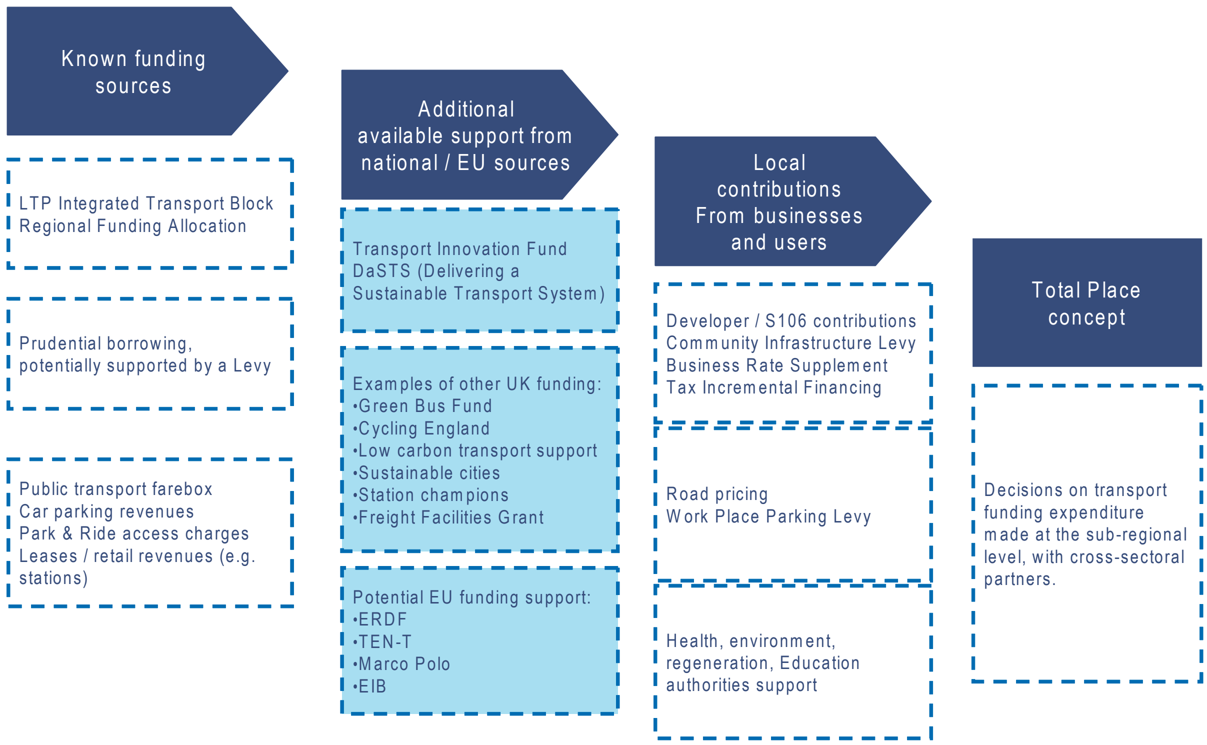
Improving infrastructure will be difficult to change and to achieve, both politically and economically, but it is not impossible. The Victorians not only had a board of works to look after public works in the capital, but a chief engineer to oversee them. The most celebrated chief engineer, Sir Joseph Bazalgette, created a sewerage system of over a thousand miles long, parts of which are still being used today. London needs to leave a similar legacy for the future.

**Sir Adrian Montague CBE is Chairman of London First**

**Sir Joseph Bazalgette demonstrated the benefit of foresight in designing London's sewerage system**

# Capturing the full range of transport benefits

**John Dowson** of PWC explains how the case for investment can be boosted by taking into account the full value of benefits to other sectors




Local transport in the UK is at a crossroads and with impending budget cuts, it is clear that the transport sector will need to fight its corner for finite funding. We estimate that due to the budget deficit in local government, a 25-30% budget gap will appear that will need to be addressed in the next two to three years – and this has implications not only in the short term but in the longer term also. This will have severe consequences for planned improvements in transport services and will mean that existing transport expenditure is severely cut with a consequential impact on services.

Even now, the search for additional funding sources is crucial if transport authorities are going to deliver their transport strategies.

The time is right for local transport authorities to re-focus their roles and responsibilities and demonstrate what value is gained from transport expenditure, as well as focusing on more efficient and effective use of available funding.

We define the term 'Transport Value' as the complete measure of transport related benefits associated with investing in transport, beyond the typical benefits such as reducing commuter time or improved journey time reliability. It aims to show how transport expenditure can benefit other sectors, such as education and health, and encourages consideration of less tangible benefits that are not systematically measured or even considered during decision making.

Transport Value encourages a variety of stakeholders to have a clearer understanding of the wider community needs and the full benefits that transport can bring and as a result, could open up investment from an assortment of less traditional funding streams. It is about encouraging stakeholders to think more holistically by getting better value across the public sector including working together to use funds more efficiently.

In particular, Transport Value will support significant opportunities to make efficiency gains, both inside individual transport authorities and when transport authorities are working with other organisations in the public sector. Using the achievement of Transport Value as the guiding principle, coupled with initiatives such as Total Place, a step change in the use of resources is possible for transport authorities, promoting more efficient internal workings and more effective pan-public sector activities.

**Transport Value could open up investment from a range of less traditional funding streams**

The Total Place programme is important in identifying the cross-sector and sub-regional synergies that transport expenditure can bring as well as the requirements on transport, which could lead to increased responsibility and more efficient operations. At present, authorities applying the techniques of Total Place have not focused on transport infrastructure or services, nor have they begun to diagnose the benefits that this may yield. Using the concept of Transport Value, there is significant scope to use this approach to identify the real benefits associated with transport services.

A city-region could be one example of the right level in sub-regions to consider the transport needs of the community and how transport value benefits may be measured. City tegions seek to remove the barriers across pan public sector service providers and individual local authorities, challenging them to operate in new ways. For example when coupled with Total Place city regions could allow the formation of new and more challenging agreements to support procurement.

Authorities should be using the Local Transport Act powers to take a leading role in thinking more holistically around sub-regional transport by working with stakeholders to consider cross sector projects. Effective and streamlined contact with other sub-regional stakeholders is vital as, by working closely on a cross-sector basis, there are real opportunities not only to maintain existing funding such as local levies and prudential borrowing, but also to unlock funding sources that are not normally accessible by transport authorities from, for example, the health, education and police sectors.

Notwithstanding the financial pressures these other sectors will be facing, only through a meaningful strategic engagement across the public sector can broader outcomes for all sectors be achieved. In that context transport planning should be a core element of all local authority departmental needs, to promote social benefits, improvements in economic activity and delivering sub-regional regeneration. The Total Place programme gives good direction to how funding can be brought into sharp focus given local priorities.

Given the resources available, a smarter approach to investment and spending is required, with a more congruent set of sub-regional objectives being at the forefront of the minds of transport authorities. Through this focus there will be reduced emphasis on potentially ancillary schemes and a redirection of existing resources to those projects that meet the greatest community needs.

For example, different regions will have different customer requirements and specific customer pressures.

Transport authorities will need to think about their own functions, how these functions link with other public sector organisations and together work out how to avoid duplication and redundant activities that do not deliver Transport Value to the customer. Transport authorities and their partners will need to simplify services so that they are more easily understood.

Securing Transport Value is highly dependent on demonstrating that benefits have been achieved. Existing mechanisms that promote working across public sector partners can be used to promote this, to provide a cross-sector view on how services are joined up in a region and start to provide a focus on whether the benefits from integration of services are being realised. Additionally by focusing on maximising benefits, Transport Value offers the potential for transport authorities to seek to operate more efficiently and effectively and reduce costs by up to 15%.

> **If the barriers of sector silos were removed, there would be a greater incentive for the health sector to take more notice of the impacts of transport**

All stakeholders in local transport will need to recognise this and start to lobby and initiate change now, so that future effects of the economic downturn can be mitigated. A more strategic approach to transport funding and governance is required, that will allow transport bodies to be responsible for change on a sub-regional basis. By using Transport Value as a guiding principle, transport bodies can identify just how big an impact transport services have on communities. With a broader recognition of the value that transport can bring across a sub-region, they can start to develop approaches in order to protect and increase investment, perhaps by accessing new funding and delivery models that they have not used previously. The time is right for transport bodies to reconsider how they will deliver services to continue to make a difference to communities.

**John Dowson is a partner at PricewaterhouseCoopers LLP**

**Transport policies can have many benefits to health services, but the local government finance system does not promote cross-sectoral working**

| | |
|---|---|
| Investing in transport infrastructure and services | Still few examples of investment in transport infrastructure and services. Durham PCT has invested £1m over two years to grit 35 miles of bus route and pavements on the basis that the benefits of reduced injuries and accidents would be greater than the investment. |
| Promoting active travel strategies | Promotion of active travel strategies is now commonplace in PCTs – with a focus on getting people to walk more |
| Providing resources and partnering activities | Many PCTs are working with transport authorities, mostly through providing human resources |
| Implementation of travel plans for staff, visitors and patients | Many PCTs have implemented travel plans that have affected mode share |
| Planning requirements associated with new facilities / restructuring | Planning requirements require the NHS to consider accessibility to new healthcare facilities, often resulting in financial contributions |
| Realisation that transport impacts on health sector costs | The benefits are have been clear for many years to health sector professionals: but not the real cost comparison |

**Impact of transport on health**

- Physical inactivity
- Injuries and accidents
- Air pollution
- Social networks / community severance
- Health inequalities
- Economic costs

## Transport Value's benefits for health

The link between transport and health is well known. The impact of transport on the health of individuals is well-researched, particularly regarding the costs borne by the health sector connected with physical inactivity, injuries and accidents and the effect of air pollution.

The NHS throughout the UK has been engaging with those responsible for transport planning and programming for many years. Given that financial constraints are significant within the health sector, investment has so far been mostly focused on accessibility to facilities, the provision of human resources, partnering with transport authorities and promoting behavioural change, rather than earmarked financial contributions to transport infrastructure.

One of the main difficulties is likely to be the issue of comparing the benefits associated with transport improvements on a like-for-like basis with internal investment within the health sector. Recent research undertaken by the Cabinet Office – exploring the wider costs of transport in English urban areas – presents quantification and comparison of the wider transport cost: physical inactivity costs the UK £9.8bn annually, while the cost of accidents amounts to £8.7bn. While this provides a basis for linking transport policy with wider cross-sectoral objectives it still does not facilitate a comparison between health sector cost savings as a result of transport investment and the cost of investing in, say subsidised cycles to the community as an alternative to health services.

In addition, the current local governance system of financing responsibility on a sectoral level does not promote or encourage stakeholder buy-in for investing outside their own sector. An example range of cross sectoral working is shown in the diagram (left).

The incremental benefits of travel plans, the promotion of active travel and behavioural change across PCT areas should not be ignored, as together they will over time induce significant benefit – and value to the wider community. If the barriers of sector silos were removed, there would be a greater incentive for the health sector to take notice of the impacts of transport and better understand what the cost savings might be, and also take steps to invest where value is most prevalent.

# Mutual support could unlock funding for city regions

The Northern Way has looked at a wide range of alternative approaches to funding infrastructure. Bonds and a local authority bank appear the most promising, says **John Jarvis**

**Bond finance and local authority mutual banks require a new form of active partnership with the Treasury to succeed**

We need economic growth if the Government is to raise the tax revenue to pay for the health service we want and the education we need, as well as all the other national priorities which will be decided at the general election. To achieve this we need to rebalance our national economy and strengthen the economies of our regions and build on the success of the North of England's city-regions.

We need to grow our hi-tech knowledge industries and our manufacturing base, things done well in the North. As the Northern Way has demonstrated, the North's transport networks need investment to create the connectivity required by this kind of economic recovery. The recession has brought some relief from the growing congestion on our roads and trains, but it is only a temporary respite before economic recovery fully takes hold.

Almost all funding for investment in our roads, railways and local public transport networks comes from the Government. This can be directly, like the Highways Agency's budget, or indirectly, such as the money routed through the Regional Funding Allocations to local authorities as block and major scheme funding.

Private financing is important too, especially Network Rail's borrowings and potentially still PPP deals. These can significantly defer and spread the burden on the public sector account, but not eliminate it. We all know that Government spending is going to be squeezed. The question is no longer if, but how much, when and which spending departments take the biggest hit.

Naturally enough, a question that is asked is: can we lever in more transport funding by making better use of those non-Government funding sources such as developer contributions or fare revenue? Or are there new ways of funding things altogether? Over the last few months the Northern Way has been considering the options.

First we have thought about making best use of what there is. This is an area where Greater Manchester has led the way in the North with its approach to delivery after the TIF referendum.

By using Regional Funding Allocation capital money, top slicing the Integrated Transport Block and allocating some of the passenger transport executive's levy on the Greater Manchester districts, a fund has been created to support capital investment. To this is added the anticipated value of public transport concessions and a capital contribution from Manchester Airport. A productivity-led prioritisation focused on increasing gross value added has been used to select the substantial package of schemes that will be supported.

Opportunities for extending this approach across the North at a city-region level, however, are probably limited. Greater Manchester has scale and assets that make this approach viable. No doubt there are lessons that can be learnt, but it may not be a template for wide application.

Next we have looked at bonds. This is an approach that Transport for London has successfully used to raise around £600m. But again we come across the issue of scale. To be worthwhile compared with traditional funding routes, bonds need to be of a size which is likely to be in excess of any individual northern local authority's requirements.

Some pooling of resources and expenditure needs across a group of local authorities might generate economies of sufficient scale to make this a better prospect. Bonds are just another way of borrowing, so they also need to be serviced: this can only work if the relevant local authorities have sufficient funds to do so.

Many innovative proposals – such as tax increment financing – rely on taxing development once projects are complete to generate a predictable future revenue stream. Conceptually fine, this has still not passed an acceptability test at the Treasury, and at a time when the property sector has taken a battering, this looks a less likely way forward, at least in the early years of recovery from recession.

We have also looked at ideas from the thinktanks like Centre for Cities and the New Local Government Network. Each has put forward ideas for making better use of local authorities' reserves through pooling, finding a home for unspent Transport Innovation Funds and possibly tapping local authority pension funds.

NLGN has gone as far as suggesting a consortium of local authorities setting up a local authority mutual bank into which they would deposit their substantial reserves, which could then be loaned for infrastructure projects. These sorts of ideas may well have legs and are they're well worth further consideration, but they will no doubt require a commitment from the Treasury, which as yet is not forthcoming.

"User pays" is a notion with enduring appeal to policy analysts, and *Transport Times* readers will be familiar with the debate. Neither of the two large national parties favour quick action in this area, so while the Northern Way sees it as a potential long term option, this too is not likely to be an early source of fresh funding.

So, in summary, there are opportunities for new sources of funding, especially if the city regions across the North work together, possibly on a pan-northern basis, to unlock new revenue streams. Bond finance and local authority mutual banks look to be the better options. Both require a new form of active partnership with the Treasury to succeed.

We need this dialogue to commence, and for the Treasury and the Department for Transport to realise that the funding commitments made for London and the South East over the last few years are all very well, but, going forward, the nation can't afford to place all its economic investment chips on a single square again.

**John Jarvis is the Transport Director of the Northern Way, the partnership led by the North's three Regional Development Agencies to improve the economic performance of the North towards the level of more prosperous regions.**

# Commission for accelerated approval

The new national planning regime goes live for transport projects next week. It should speed up approval but many details about how the system will work in practice remain to be ironed out, says **Robbie Owen**

The Planning Act 2008 introduces a new regime designed to speed up the planning and, in turn, the delivery of infrastructure projects of national significance. For transport projects, it is one of the most important pieces of legislation in recent years. The new procedure will have to be used for any third runway at Heathrow, among other high-profile projects.

On 1 March 2010 the regime will "switch on" for transport projects. Despite what might seem like a relatively generous implementation period, the Government has had its work cut out as it has endeavoured to flesh out the bare bones laid down in the Act. With a General Election looming there has been a strong desire to instil confidence in the changes, while the Conservatives have adopted a relatively hostile response – although this appears to be dissipating, in part if not in whole. This article looks at progress with implementation of the new system and looks forward to the benefits it promises to bring to the transport sector.

> **'Drafting National Policy Statements has proved tricky, requiring pulling together various, not necessarily consistent, strands of policy'**

### The new regime

The Act lays down a basic framework for a "unified consent regime" for nationally significant infrastructure projects (NSIPs) in England and Wales. In the transport sector, NSIPs include new harbours, roads, railways, rail freight interchanges and airports, where they meet the thresholds set down in the Act. For example, a new airport would be an NSIP if it is expected to be able to handle 10 million passengers, or 10,000 air cargo movements annually, while a new railway will be an NSIP if it can't be built using permitted development rights and is intended to form part of an approved operator's network, essentially Network Rail's network.

The framework consists of three key elements. First, it provides for the designation of a series of National Policy Statements (NPSs) setting out policy on particular areas of national infrastructure. Second, it introduces a new type of planning consent, the Development Consent Order (DCO), which is designed to replace the current myriad of consents required for major infrastructure projects. Third, it makes provision for the creation of a new independent decision-making body, the Infrastructure Planning Commission (IPC), which will examine applications and normally decide whether to grant a DCO.

The IPC regime is designed to speed up decision-making. It does this by relieving ministers of their decision-making responsibilities and avoiding policy debates when applications are being considered. The designation of an NPS provides democratic legitimacy to this approach. The NPS consists of a single accessible document which sets out national policy, stating to a greater or lesser degree what infrastructure is needed, sometimes where it should go, sometimes who should build it, and sometimes what it should look like.

The aim of separating policymaking from decision-taking is generally accepted to be a good one. Even the Conservatives have indicated that they would retain NPSs, but strengthen them by allowing Parliament to approve them in formal votes.

Twelve NPSs will be designated across a range of sectors. For transport, statements dealing with ports, national networks (covering the strategic road and rail network and rail freight sites) and airports will be produced. However, progress has been slow. Many NPSs have been delayed and the Government has indicated that drafting the statements has proved trickier than anticipated, as it often requires pulling together various, not necessarily consistent, strands of policy. Only the draft Ports and Energy NPSs have been published. The draft National Networks NPS is expected in "spring 2010", thought likely to be in late March alongside the high speed rail white paper. The Airports NPS is expected "by 2011".

Before designating an NPS the Government will consider representations made during the consultation, any select committee recommendations and any resolutions of either house of Parliament. It must then lay before Parliament a statement setting out the response to the resolution or recommendations before amending the NPS as appropriate.

The Transport Select Committee has been scrutinising the draft Ports NPS and will produce its report by the end of March 2010. The draft NPS will also be debated in the House of Lords next week.

So far, the national debate on the draft NPSs has been rather disappointing. While the more obvious stakeholders have made representations, on the whole there appears to have been little grasp of their significance. In particular statements are being treated akin to white papers rather than policy which, as a matter of law, will form the basis upon which the unelected IPC will make important decisions on individual projects.

Based on events to date, there may be some merit in the Conservatives' view that each NPS should be subject to a vote in Parliament. Not only would this add democratic accountability, but it would better protect designated NPSs against judicial review.

NPSs can be challenged in the courts, although the Act seeks to restrict the opportunity for challenges quite severely. It remains to be seen if the courts will try to escape this strait-jacket, but the Government has already suffered defeat in the courts in relation to its previous consultations on energy policy, and will need to observe due process meticulously if it is to avoid or at least fend off future challenges.

## Devil in the detail

Progress with development of NPSs may have been rather slow but the Government has been working extremely hard in order to flesh out the procedural details of the new system.

Secondary legislation and supporting guidance setting out precisely how the system will work has been published. We have seen regulations dealing with the provisions of a DCO, content of applications, pre-application procedure, environmental impact assessment, appropriate assessment, and the IPC's examination procedure; and on compulsory purchase, on making representations, on prescribed matters to which the IPC must have regard, on application fees and on the type of consents which can be included in a DCO.

While recognising that the Department of Communities and Local Government has had its work cut out, with no fewer than 10 sets of rules and regulations and a plethora of supporting materials, the implementing package feels overly (and unnecessarily) complex. Less is more, usually, but the DCLG just hasn't had enough time to produce fewer regulations.

## The IPC

Everything about the IPC is designed to speed up decision-making. It is tasked with determining applications within fairly fixed timescales and is to be guided by the relevant NPS to avoid the need for policy debate. Oral examination of applications is discouraged and applicants will have to undertake considerable pre-application consultation and then produce written representations instead.

As the Bill made its way through Parliament, the Government had a tricky task of balancing efficiency (by minimising ministerial decision-making) with a "democratic deficit" (by giving too many powers to an unelected body). Critics consider that the end result erred too much towards democratic deficit and the IPC bore the brunt of this criticism.

While its role is one of the more controversial aspects of the regime, the IPC is now smoothly up and running. Sir Michael Pitt was appointed chair in March 2009 and it is proposed, in time, to appoint around 35 commissioners. Based in Bristol, the IPC officially opened for business on 1 October 2009 and has since been busy advising promoters on prospective applications. All the full-time commissioners have now been appointed by CLG.

**"There appears to have been little grasp of the significance of National Policy Statements"**

***– Robbie Owen***

From 1 March 2010, promoters of transport NSIPs must submit a DCO application to the IPC irrespective of whether or not the relevant NPS has been published: they can't choose to go down the old procedural route instead. If there is still no relevant NPS when an application reaches decision stage, the IPC will make a recommendation to the secretary of state instead of making the decision itself.

The new process is designed to reduce the cost and uncertainty of the planning system. With more certainty over decision timescales and a shorter, more efficient, examination stage, the new system is to be welcomed and should lead to greater speed and certainty. However, until the NPSs are finalised, this benefit is unlikely to be realised as the IPC cannot make decisions, and it may also be unable to avoid policy debates.

While NPSs are based on existing policies, these are not set down conveniently in a single statement but instead have to be drawn together and analysed. As is evidenced by the delayed production of NPSs, this is no easy feat. In the case of airports, there may be a two-year delay before the NPS is designated and it seems unlikely that the IPC could deal speedily with any airport application meantime.

Another benefit of the new system is that the DCO is designed to provide a single authorisation in place of a raft of consents. DCOs can authorise a range of matters including the operation of a transport system, the compulsory purchase of land, the creation of harbour authorities, the stopping up of highways and the charging of tolls. However, there are quite a few things that a DCO cannot do, such as a power to make byelaws and impose criminal offences, and so the new system is far from being the one-stop shop it is claimed to be.

The start-up of the new regime should be welcomed by the transport sector. However, its full benefits will not be realised until the NPSs have been finalised and until the uncertainties surrounding the Conservatives' intentions to change elements of the new regime have been resolved.

**Robbie Owen is head of major projects at consultancy Bircham Dyson Bell LLP**

# Cuts could accelerate bus decline

In the second of our series on the Prime Minister's Strategy Unit report on the future of urban transport, **David Begg** considers its conclusions on the prospects for bus services.

We argued in our last edition that the Prime Minister's Strategy Unit report *An Analysis of Urban Transport* was such a good document that we would give it continuing exposure. The section on buses in particularly informative and provides some clear insights.

There are three key areas worth focusing on: the importance of buses to society; their high dependence on government support and vulnerability to spending cuts; and an objective assessment of quality contracts. The last of these can bring benefits to passengers – London is an outstanding example – but they will cost the taxpayer a lot more at a time when cash is scarce (opposite page, bottom).

Buses are the neglected mode of transport – but this is not a mistake that this report makes. It devotes considerable space to the key role that buses can play in tackling our urban transport problems and the key challenges that lie ahead.

Fares account for just over half the bus industry's total revenue, the rest coming from the public sector in various forms (see graphic, opposite top).

The Treasury will be looking for transport to bear a disproportionate share of spending cuts given that the big spending department – health – is likely to be ring-fenced. As so much of rail spending is contractually committed this leaves public support for bus services very vulnerable. Whoever is in power after the election, spending on concessionary travel is likely to be capped and could even be cut. Bus service operator grant looks vulnerable and local authorities will be under intense pressure to cut spending on supported services.

While this is a realistic assessment of how things will develop it is bitterly disappointing, as investing taxpayers' money in buses offers excellent returns that compare very well with spending on other modes. The table on page 98 of the report, reproduced below, demonstrates succinctly the important role buses play for the economy, environment, health and social inclusion.

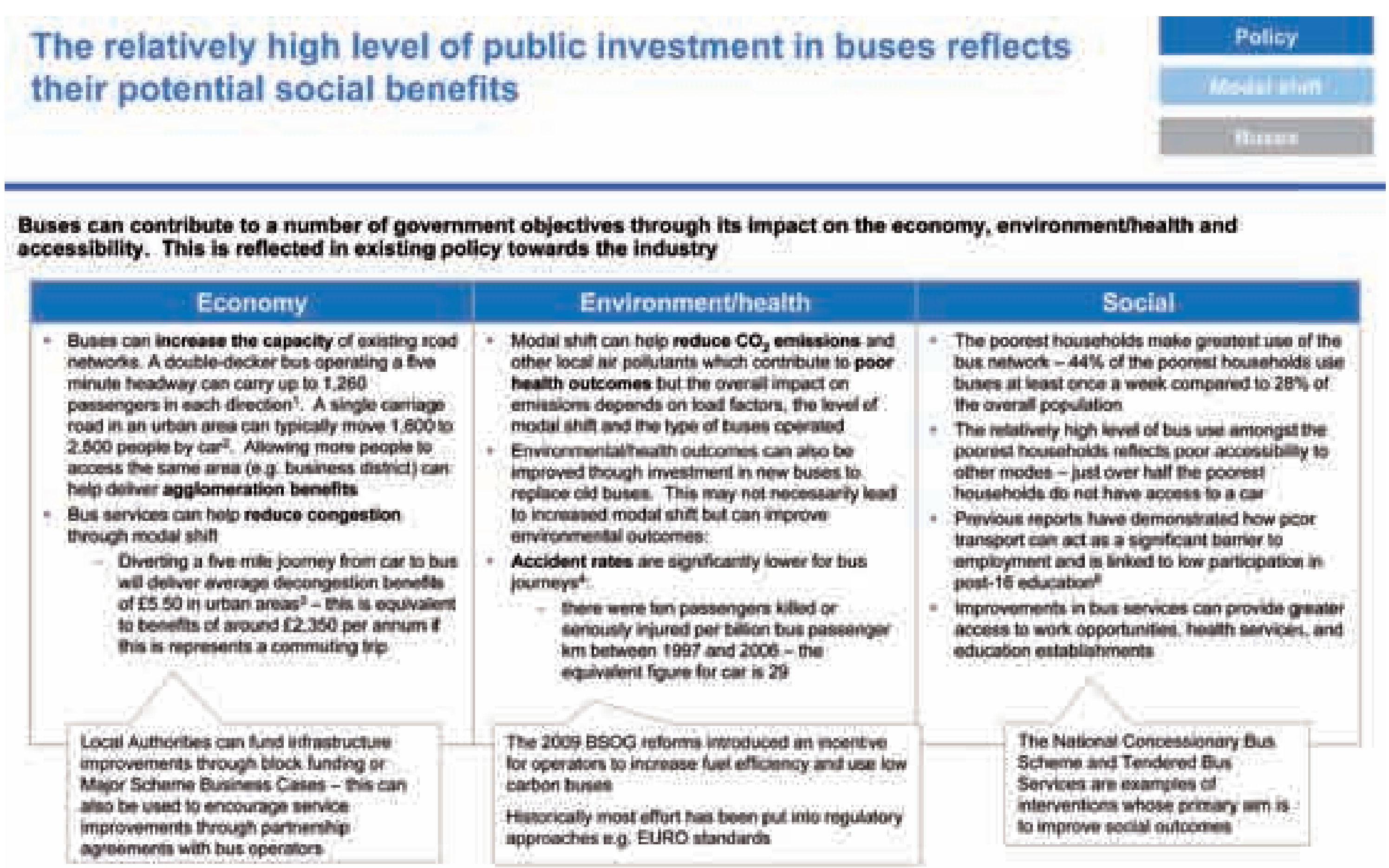
The worrying conclusion in this report is that bus patronage will continue to decline in most areas – and that's before the industry is hit by cuts in public support. In the absence of any major changes in policy, economic consultant NERA forecasts that for integrated transport authority areas, over the next decade fares will rise by 20% and service levels will be cut by 20%, contributing to a 20% fall in patronage.

The bus industry must articulate a robust and compelling case to the Government that cuts in public support will accentuate the spiral of decline: higher fares, cuts in services, declining patronage and so on. There is a more encouraging forecast from the Commission for Integrated Transport that if there were investment in the network to reduce journey times then patronage could instead rise by 4% over the next eight years.

The Holy Grail for the bus industry, passengers and the public sector is a virtuous circle which crucially centres on bus priority measures and allows bus services to beat traffic congestion. If you throw in smart card ticketing, real-time information and, in the longer term, more sustainable land-use planning with higher urban densities and policies which encourage public transport rather than penalise it – then the sector would be booming.

This report is as enlightened and objective on the case for quality contracts than any I have seen. To quote London's Transport Commissioner, Peter Hendy, "If you want to emulate the success of London's regulated market then be prepared to dig deep into the taxpayer's pocket."

***An Analysis of Urban Transport*, published by the Prime Minister's Strategy Unit, is available at www.cabinetoffice.gov.uk/strategy/work_areas/urban-transport.aspx**



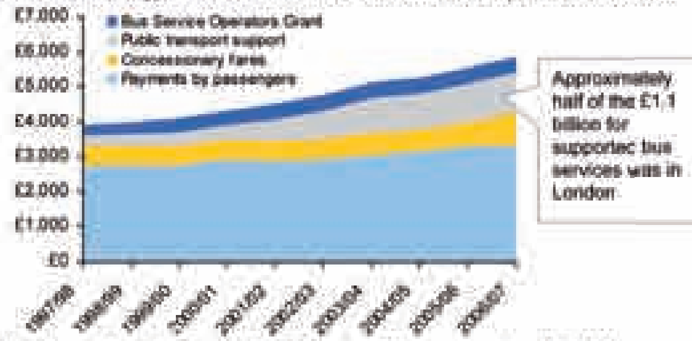
## This support represents a high proportion of the bus industry's revenue

Policy
Modal shift
Buses

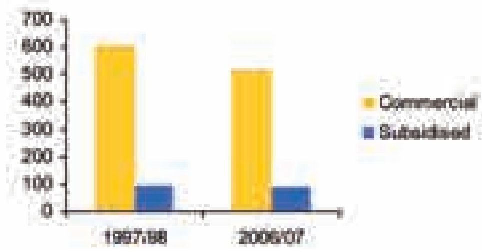
**Around £6 billion is spent on local bus services in England – just under half comes from government**
Expenditure of local bus services, 2006/07 (£ million, cash prices)

| Item | Value (billions) |
|---|---|
| Farebox | £2.9 |
| Concessionary fares | £0.7 |
| Support for local services | £1.0 |
| Bus Service Operator Grant | £0.4 |
| School transport | Up to £0.5 |
| Capital | £0.2 |
| **Total public sector support** | **£2.3-2.7** |
| **TOTAL EXPENDITURE ON BUSES** | **£5.2-5.7** |

**The growth in support for local bus services in Great Britain has mainly been concentrated in London**
Revenue and financial support for local bus services in Great Britain (£ million at 2007/08 prices)[1]




**Subsidised services in English PTE areas have remained stable**
Commercial and subsidised services by vehicle kilometres (millions), English PTE areas




## The costs of implementing Quality Contracts will be dependant on scheme design and the reaction of existing operators

Policy
Modal shift
Buses

**The ongoing cost of Quality Contracts will be highly dependant on scheme design and whether an ITA chooses to enhance existing service levels. Delivering a bus system equivalent to London might cost £450 million per annum if rolled out across all ITA areas**
Projected costs of implementing Quality Contracts in all ITA areas[1]

**Regime change**
Additional costs of staff and resources for service planning and contracting
→ **£5-6 million p.a.**

**London support package**
Additional administrative costs of publicity, consultation, monitoring and performance management
→ **£31 million p.a.**

**London standards**
Increased services, lower fares and improved bus fleet
→ **£411 million p.a.**

Some of the additional costs of a quality contract will be offset by reduced costs to operators. This will include a lower rate of return reflecting the reduction in risk associated with a franchised market

**ITAs may also incur significant costs in the transition to Quality Contracts. The size of these will be highly dependant on how existing operators respond to their introduction**
Estimated costs based on services run by 900 buses

**Depots***
ITAs may purchase new depots to reduce barriers to entry or to replace those of an existing operator
→ **Up to £50 million for depots[2]**

**Vehicles***
ITA may choose to purchase vehicles to reduce barriers to entry, achieve fleet standards (e.g. emissions) and/or ensure that services can be run at short notice
→ **Up to £90-£110 million for vehicles[3]**

**Cost of maintaining existing services**
An ITA may tender for services if existing operators withdraw services from the market during the transitional period
→ **Costs sensitive to which services are withdrawn**

**Legal challenge**
ITAs may incur legal costs in fighting a judicial review into the making of a Quality Contract scheme
→ **Cost unknown**

* Note: owning the depots and vehicles will reduce contract costs

## Assembly powers passed to board

I would like to clarify a point in your article 'Express route' (*Transport Times* November 2009).

Your article says that the South East England Regional Assembly, which commissioned the Colin Buchanan inter-urban bus feasibility study mentioned in the report, has been replaced by the South East England Development Agency (SEEDA).

In fact, following the dissolution of the Assembly on 31 March 2009, its planning responsibilities passed to the South East England Partnership Board.

The Partnership Board was formed as a result of the Government's sub-national review and brings local authorities, through the South East England Leaders' Board, together with SEEDA to produce a new regional strategy for South East England. The new strategy will combine the region's existing spatial and economic strategies.

Supporting the Partnership Board is, among other boards, the South East Transport Board. The Transport Board makes recommendations to the Partnership Board on investment priorities in the South East.

*Cllr David Robertson, Chairman of the South East Transport Board*

**Send your comments to david.fowler@transporttimes.co.uk**

# Briscoe named chair of HS2

**Sir Brian Briscoe**

Transport Secretary Andrew Adonis has announced the appointment of **Sir Brian Briscoe** as the new chairman of HS2, the company established by the Government to advise on the development of high-speed rail services between London and Scotland.

Sir Brian, who took up his appointment this month, succeeds **Sir David Rowlands**, who has stepped down as planned.

Sir Brian joined the HS2 board in February 2009 as a non-executive director. He has previously held the posts of chief executive of the Local Government Association and chair of the Independent Transport Commissions for Cambridge and Reading, as well as sitting on the boards of Visit England and the Town and Country Planning Association.

The Office of Rail Regulation has announced the appointments of **Tracey Barlow** and **Steve Walker** to the board as non-executive directors. The appointments are for five years, and they will take up their positions with immediate effect.

Ms Barlow is an independent consultant specialising in business development and capital programme management, working mainly in the water and energy utility markets. She is chairman of a waste-to-energy technology business based near Southampton.

Previously, she was responsible for the delivery of Scotland's £2.3bn water and wastewater capital infrastructure programmes which she managed through a seven-partner joint venture organisation with Scottish Water.

Mr Walker is a chartered mechanical engineer who worked in the

## people

Thames Water Group for 19 years, for most of which time he was a director of Thames Water Utilities in the UK, leading engineering, project delivery, asset management, health and safety and capital programme management.

**Allan Cook CBE** has taken over as chairman of engineering design group Atkins.

Mr Cook was previously chief executive of Cobham, a position from which he retired at the end of 2009. He is a chartered engineer with more than 30 years' international experience in the automotive, aerospace and defence industries. Prior to Cobham, Mr Cook held positions at GEC-Marconi, BAE Systems and Hughes Electronics. He is chairman of the National Skills Academy for Manufacturing, president of the aerospace and defence industries association of Europe (ASD), a director of the Industry Forum and a committee member of the UK Ministerial Advisory Group for Manufacturing. He was awarded a CBE in the Queen's New Year's Honours list in 2008.

**Allan Cook**

Atkins has also appointed **Daryl Harvey** and **John Pearman** contract director and contract manager respectively to manage the delivery of managing agent contractor services for the Highways Agency in East Anglia (Area 6).

Mr Harvey has 20 years' experience in highways and transport and environmental waste services in the public and private sectors. Over the last eight years he has undertaken a variety of roles in highways and transport, most recently in Highway Services as contract/business manager in Area 6.

Mr Pearman joins Atkins from Downer EDi, the New Zealand highways maintenance and construction company where he was strategy development adviser and technical solutions manager. Previously he was regional divisional director responsible for the East Midlands and East Anglia at the Highways Agency.

Serco and Abellio, the joint owners of train operator Northern Rail, have announced the appointment of **Ian Bevan** as interim managing director and **Steve Butcher** as interim deputy managing director.

Mr Bevan, currently finance director and deputy managing director, will step up to replace current managing director **Heidi Mottram**, who leaves to join Northumbrian Water Group from 1 March.

Mr Butcher, currently area director east, is promoted to interim deputy managing director with specific responsibility for strategic operational and external relations issues.

The appointments are on an interim basis while the recruitment process takes place for permanent appointments.

In a separate move, **Stuart Draper** has been promoted to engineering director, replacing **Ruud Haket** who has joined Abellio to lead its bids for UK rail franchises.

The Confederation of Passenger Transport UK (CPT) has announced that **Steve Whiteway**, commercial director of the Epsom Coaches Group, will be its president for 2010.

Mr Whiteway has spent over 30 years in the bus and coach industry, during which time he has held a wide range of positions from coach driver to operations controller and most recently commercial director. He is actively involved with the Guild of British Coach Operators, of which he is a past chairman and board member.

Transport planner and engineer JMP has appointed **Martin Lloyd** an associate director to look after the consultancy's development planning interests in Wales and the South West.

A Fellow of the Institute of Highways and Incorporated Engineers, he previously worked for Pell Frischmann for three and a half years.

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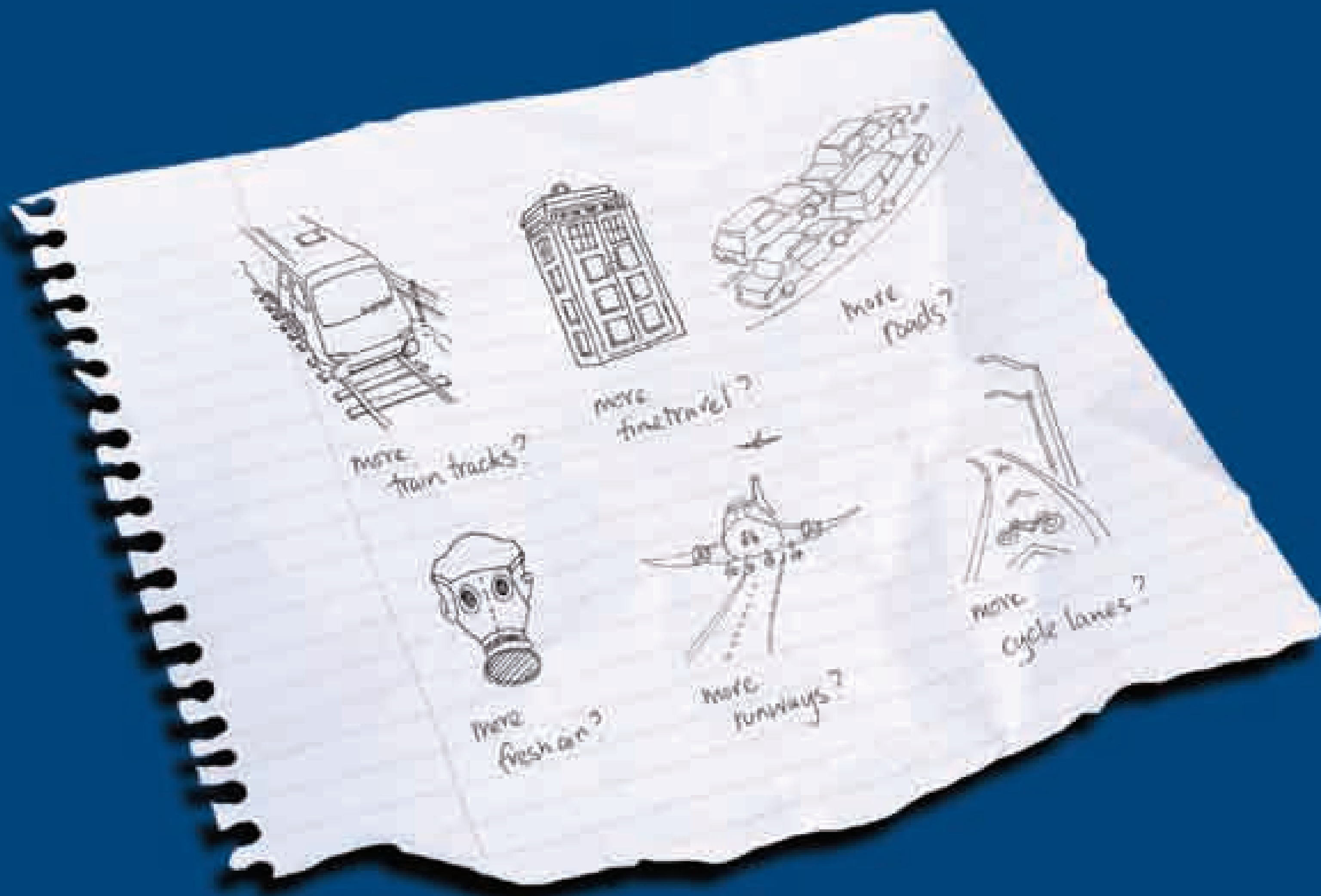


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