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The importance of maintaining investment

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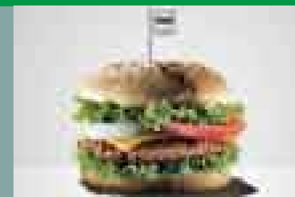

A smarter, greener future for the bus industry

Report from the latest *TT* conference p37

Is Hammond the DfT's next high-flyer?

transporttimes

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comment

Assured performance destines

There have been 18 secretaries of state for transport since 1979. Only two of them have progressed to one of the top jobs in government: Sir Malcolm Rifkind (Foreign Secretary) and Alistair Darling (Chancellor of the Exchequer), both coincidentally from my native Edinburgh. Put money on the current incumbent at Great Minster House, Philip Hammond, eventually joining this select club.

There are more than a few similarities between Hammond and Darling: they both started out as shadow chief secretary to the Treasury; they prioritised the role transport could play in economic growth; they both coveted a return to their Treasury roles; they were highly regarded by their civil servants for their managerial abilities and they were both careful not to be pigeon-holed as anti-car. It took two years for Darling to embrace the case for road pricing. I would bet on Hammond eventually doing the same, but he won't be in the transport job that long.

Why am I so confident that road pricing would come back on the agenda if Mr Hammond remained in post for longer? He is objective and is persuaded by evidence. He would have time to put distance between Conservative pre-election dismissals of the policy. Norman Baker, his Lib Dem junior minister, is very persuasive on the subject. It is one of the few policies that can help the coalition government achieve all three of its key objectives: deficit reduction, economic growth and carbon reduction. While Mr Hammond has ruled out coercing motorists out of their cars in his pursuit of behaviour change, he will quickly realise that if is not done through pricing then motorists will be coerced out of their cars by congestion (see Jim Steer, page 13).

The way we run our road system is the last remnant of the Stalinist state: we ration demand by queuing, the same way as the former Soviet Union used to ration bread. It is highly inefficient, and growing congestion penalises our economy and harms the environment.

Mr Hammond believes in a smaller state, the price mechanism to create the right incentives, and the private sector. Road pricing opens up the potential to privatise the motorway network and achieve all these objectives. Yes, the politics are very challenging, but so is cutting welfare benefits, child allowance and

Hammond: flourishing in the coalition

a plethora of other tough decisions the coalition has to make to reduce the structural deficit.

Philip Hammond has mastered his brief very quickly and is more than a safe pair of hands at Transport. He is an excellent communicator whom the Government is increasingly using outside his transport brief. Look out for him moving on from transport at the Prime Minister's first reshuffle.

The two people who look most vulnerable at this stage are the Home Secretary Theresa May and the chairman of the Conservative party, Baroness Warsi. The need to ensure gender balance in the cabinet could save Theresa May, but it would not surprise me if Mr Cameron turns to Philip Hammond to play the crucial party chairman role.

There are politicians who flourish in coalition government: Baroness Warsi is not one of them; Mr Hammond is.

Being confrontational and dictatorial alienates the coalition partners, as does a reluctance to listen and a tendency to preach. These are not traits you would associate with Philip Hammond. He epitomises the new breed of coalition politician. He has less ego than most politicians; indeed he comes over as unassuming, he cultivates a team spirit with his Lib Dem partners and indeed is protective towards them. Look at how he leapt to the defence of Norman Baker (page 20) following criticism from Christian Wolmar in our last issue. A secretary of state jumping to the defence of a junior minister was not common in the old one-party

Hammond for higher office

government, and it highlights the determination by key Conservative cabinet members to ensure that their Lib Dem colleagues are not hung out to dry.

The party chairman role would give Mr Hammond a roving commission, where his excellent communication skills would be fully utilised, and the authority to speak on behalf of the Government on a range of issues. Backbenchers are going to have to be reassured to prevent them running around like headless chickens when the going gets really tough and the chairman's job would also free Mr Hammond to work more closely again with the chancellor, George Osborne.

The Treasury team is in need of bolstering: Danny Alexander, the Chief Financial Secretary to the Treasury, is no substitute for his predecessor David Laws. The child benefit controversy highlights the importance of getting both policy formulation and the messaging right from the centre of government.

To argue that high speed rail will result in a decline in demand for flying is not borne out by any evidence

There are three key characteristics that are essential ingredients for a successful politician: intellect, judgement and a heart. Philip Hammond ticks all three boxes. From day one in the transport job he demonstrated how quickly he could master his brief when he invited journalists to meet him for a question and answer session. He gave an assured and confident performance.

I attended a meeting a few months ago at Number 11 Downing Street where the Chancellor was consulting on the transport budget before the Comprehensive Spending Review (CSR). Mr Hammond knew all the right arguments to make about the importance of protecting investment in transport infrastructure for our future economic prosperity. It was important to have a transport secretary talking the language that carried most weight with the Treasury. Mr Hammond was particularly robust in his defence of Crossrail.

I'm writing this before the CSR and could end up with egg on my face: however my impression is that Mr Hammond has won the argument with the Treasury to protect as much as possible of planned investment in transport infrastructure. That will come at a price, in that the revenue budget will be hard hit.

While there are many vested interests which argue that there should be no cuts in rail investment, and that rail fares should not rise, this is unrealistic. I would support what I anticipate the coalition's judgement will be at the CSR: to allow rail fares to rise above the rate of inflation to protect rail investment.

Mr Hammond's judgement has been solid on the big strategic issues such as high speed rail. The Conservatives in opposition supported the first leg of the so called "S" route, linking London with Birmingham, Manchester and Leeds. This was not very attractive to Yorkshire and the North East of England as it led to only minor journey time reductions to London on an indirect route, and it went down like cold sick in the East Midlands, which was omitted altogether. The evidence on the "Y" route (see page 8) was persuasive and he backed it.

I don't support everything Mr Hammond has said since taking on the transport brief. The rhetoric about ending the "war on the motorist" plays better with Tory party conference and the Taliban wing of the motoring lobby than it does with a more objective and less partisan audience.

The fuel duty protests in 2000 resulted in the Labour government becoming nervous about anything which could be perceived as anti-car. Indeed all the transport secretaries after Prescott – with the exception of Darling, and it took him two years to get there – resisted recommendations from the DfT to support road pricing.

Most of the policies which have been wrongly labelled "anti-motorist" – speed cameras, congestion charging and bus priority – have been strongly backed by DfT civil servants, often with against opposition from Labour transport ministers. These policies, under the right conditions, are also backed by the sensible and mainstream organisations which represent the interests of motorists, the AA and RAC. Saving lives, reducing congestion and making more efficient use of road space are the right objectives for all transport users, motorists included.

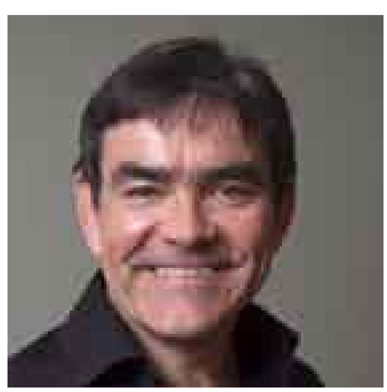
I also have grave reservations about the coalition's decision not to build a third runway at Heathrow (see my party conference diaries on page 10) in the absence of any credible strategy to reduce the demand for flying. If we adopted such a strategy, it would lead to significant increases in air fares and it could be construed as a "war on air passengers".

But not building capacity and allowing demand to grow unchecked is the worst of all worlds and explains why our transport infrastructure in the UK, from roads to rail and airports, is among the most congested in the world. To argue that high speed rail will result in a decline in demand for flying is not borne out by any evidence and is fanciful at best.

I suspect that government ministers are often constrained by the hand they have been given in their party's manifesto, and that often this is the main source of dodgy decision-making in government. Continuing with universal free travel for pensioners at a time when extremely tough decisions are being made across the board is a case in point.

These reservations aside, almost six months into Mr Hammond's tenure at transport, his report card reads well.

The smart money is on him moving on at the next reshuffle and in the process reducing the 18-month average life expectancy for a secretary of state for transport. This will be right for the coalition but bad news for transport.



David Begg

Professor David Begg is publisher of Transport Times.

Welcome to CILT members

A message from the publisher

We're delighted to welcome to this issue an extra 5,500 readers from the Chartered Institute of Logistics and Transport.

For the next three months *Transport Times* will be mailed out with the CILT's own journal, *Logistics and Transport Focus*, to members of the institute's Rail, Bus & Coach, Transport Planning and Aactive Travel & Travel Planning professional interest groups.

To new readers, we say: we hope you will find *TT* an interesting read, and that our coverage complements that of *Focus*. We try to cover the issues in the Transport Secretary's in-tray, and, through our columnists and opinion section, to reflect the debates going on within transport. And in the current economic and political climate, there are a wide range of views to be aired, on issues from bus subsidy to high speed rail, from walking and cycling to protecting transport investment, and the whole question of sustainability.

In this issue, in the light of the Comprehensive Spending Review, we look at the arguments for protecting transport investment, and how to identify wider but often-overlooked benefits to the economy in project appraisals.

We report on HRH Prince Charles's "Start" sustainable transport conference as well as *TT*'s own annual bus industry conference. We interview Invensys Rail chief executive James Drummond, while Councillor Jane Urquhart of Nottingham explains how it became England's least car-dependent city.

At *TT* we're very excited about this link with CILT. We hope you enjoy our take on transport, and that many of you will want to take out a regular subscription (see page for details). If you do, quote your CILT membership number for a 20% reduced annual rate of £70.

In any case, we'd like to hear your views –what you think of the magazine, what you think about transport issues generally – at david.fowler@transporttimes.co.uk

Professor David Begg
Publisher

Partnerships 'may have to combine' to take on transport

Local Enterprise Partnerships in England, based on 57 proposals submitted in September

Local Enterprise Partnerships seeking to take responsibility for transport may have to come together in larger consortia, Transport Secretary Philip Hammond has said.

Speaking at a sustainable transport conference organised under HRH Prince Charles' Start umbrella, Mr Hammond said: "As a key part of the Government's transport agenda, we want to devolve as much responsibility for local transport initiatives as possible to local level."

The DfT would seek to work with the new Local Enterprise Partnerships "either individually or in strategic consortia, delegating decision-making to them to allow them to develop truly innovative transport solutions."

But he acknowledged concern among transport planners that many of the LEP proposals put forward last month in response to a Department for Communities and Local Government initiative were small in relation to travel-to-work areas around towns and cities.

Though getting strategic scale is one of the objectives of the DCLG, Mr Hammond said: "It's clear to me there is a possible outcome which delivers LEPs that are on a scale that works for many of their objectives but doesn't work for transport – in which case we will invite them to collaborate with their neighbours to form units of sufficient scale to be able to take on devolved responsibility for the allocation of transport budgets."

Local Enterprise Partnerships are intended to take over the role of the Regional Development Agencies, which are being abolished. At the end of June the DCLG invited proposals from local authorities and business leaders on how they would work with the Government to strengthen local economies. The DCLG received 56 submissions by the 6 September deadline.

One of the aims was to rebalance the economy towards the private sector. Ministers wanted partnerships "to better reflect the natural economic geography of the areas they serve and to cover real functional economic and travel-to-work areas". They were expected to include "groups of upper tier authorities". The arrangements will not apply to London.

However, observers were concerned that partnerships were being based on political expediency and would be smaller than travel-to-work areas, making co-ordination of transport policy difficult.

Analysis of the proposals by consultant SQW found that the populations covered by the proposed partnerships range from 333,000 (Fylde Coast) to 3.4 million (Kent and Greater Essex) with an average of 1.1 million. At least three appeared to include no upper tier authorities, Greater Manchester having the most with 10.

Many of the proposed areas overlap, with around 70 district councils appearing in two submissions and four featuring within three.

Proposals from several city-regions seemed to recognise the rationale of covering a functional economic and travel area, SQW said. PTEG, the Passenger Transport Executive support group, said LEPs in Merseyside, South and West Yorkshire and Greater Manchester "mapped pretty well on to the PTE areas".

But in the North East there are three LEPs in the area covered by Nexus (Newcastle-Gateshead, South Tyneside & Sunderland, and Northumberland & North Tyneside) plus two more adjacent (Tees Valley and County Durham). In the West Midlands Centro would have to work with one LEP for Birmingham, Solihull, East Staffordshire, Lichfield and Tamworth, one for the Black Country, and another for Coventry & Warwickshire.

The DCLG has promised a rapid response to the proposals.

The North and West Midlands LEPs

Nottingham named England's least car-dependent city

Nottingham is the least car-dependent city in England, closely followed by London and Brighton & Hove – while Milton Keynes, Peterborough and Luton depend on the car the most.

Those are the findings of a new study by the Campaign for Better Transport, which used data from 17 sources to rank the main 19 English cities.

The lobby group says the survey shows to what extent local transport authorities have used powers and funding such as those introduced by John Prescott's 2010 Transport Strategy 10 years ago to encourage the provision of more integrated local transport systems.

> **For many people, car use is not a matter of choice but is due to other options just not being available**

In the case of Nottingham at least, the strategy dates back further than that, with the first park and ride system being introduced in the early 1970s.

The cities' Local Transport Plans have also been ranked, with Nottingham also heading that list, ahead of Cambridge and Manchester.

"Our report shows that for many people, car use is not a matter of choice but is due to other options just not being available," said CBT chief executive Stephen Joseph. "Factors such as lack of local facilities, poor public transport or bad conditions for cyclists and pedestrians can mean that people are reliant on a car, with congestion and pollution the result."

He added that improvements in many cities could be threatened by cuts in government spending, for instance in support for local bus services.

CBT looked at two cities from each English region, based on population data. Because of the high numbers of commuters in the South-East, it also included Milton Keynes and Cambridge, making a total of 19.

Nottingham scored well in the majority of indicators measured, says CBT. It ranked highly for factors such as bus patronage, satisfaction with bus services and low car use for the school run. As well as having an efficient bus service, the tram system is used by 10 million passengers annually. Other positive moves included improving accessibility, routing buses on uncongested bus-only roads and smart ticketing. Future plans include extending the tram systems, while the £60m Nottingham Hub project to modernise the railway station was given the go-ahead by Norman Baker last week.

The surprise in the case of London was that it did not come top. "Most Londoners make use of a wide network of sustainable travel options including tube, buses, trains and boats," says the CBT. Its second-place ranking "may reflect the fact that while inner London has extremely low car dependence, outer boroughs are more car reliant," the organisation said.

At the other end of the scale, Milton Keynes "was designed for the car," said CBT. "Those with cars can get to work in under ten minutes, but those without struggle to get around. Milton Keynes' large road network is beginning to suffer from congestion, causing increased pollution.

"Travelling by public transport is a poor alternative and the design of the city makes it hard to navigate quickly this way."

The car dependency scorecard considered 17 indicators which reflect car dependency, mainly publicly-available data from the Department for Transport and for Communities and Local Government, the Commission for Rural Communities, the Audit Commission and the Office of National Statistics. Additional analysis by CBT produced information on the price of bus services and modal share of peak time journeys.

Each indicator was ranked from 1 to 19. The scores were aggregated to produce the overall ranking and also sub-rankings for accessibility and planning, quality and uptake of public transport, and walking and cycling.

Nottingham's tram system carries 10 million passengers annually

The full ranking (from least car dependent to most):

1	Nottingham
2	London
3	Brighton and Hove
4	Manchester
5	Liverpool
6	Newcastle
7	Cambridge
8	Birmingham
9	Plymouth
10	Southampton
11	Sunderland
12	Leicester
13	Bristol
14	Leeds
14	Coventry
16	Sheffield
17	Luton
18	Peterborough
19	Milton Keynes

Nottingham score highly on bus services and accessibility

Government chooses high-speed Y-route

The Government has adopted the "Y" shaped option for a high speed rail network, with separate legs from the West Midlands to each of Manchester and Leeds, as its preferred route, Transport Secretary Philip Hammond announced.

A Y-shaped route would allow the East Midlands and South Yorkshire to be served by the high speed rail network, as well as Leeds, Manchester and the North West.

The western leg of the Y-route would connect to the West Coast main line beyond Manchester, while the eastern leg would connect to the East Coast main line north of Leeds. There would be stations both in the East Midlands and South Yorkshire.

In opposition the Conservatives had proposed the "reverse S-shape" from Birmingham to Manchester and then across the Pennines to Leeds. The party reserved its position when the Labour government announced its preference for the "Y". This produced limited time savings to Leeds and destinations further north and did not serve the East Midlands or South Yorkshire.

> The Y option has a stronger business case, HS2 found

Mr Hammond considered advice from HS2, the Government company set up to examine the case for high speed rail, on the relative benefits of the Y-route against the reverse S-route. HS2 found that the Y-network would provide a total of £25bn more benefits than the reverse S.

As well as the ability to serve additional markets such as East Midlands and South Yorkshire it would provide faster journey times to Leeds and the North East, carrying over 40,000 more trips daily. It also has the ability to generate greater released capacity on the Midland and East Coast main lines, benefiting commuter and regional markets.

The Y option has a stronger business case, HS2 found, stemming from both higher projected transport benefits (around £15bn greater) and revenue (around £10bn greater).

Mr Hammond said: "This gives us high speed rail connectivity not just between London and Birmingham, but onwards to Leeds and Manchester: a strategic project that will make rail the mode of choice for most inter-city journeys within the UK, and for many beyond."

HS2 published detailed route proposals for a high speed rail line from London to Birmingham earlier this year. Work is currently under way to refine the preferred route identified in that report and the secretary of state will set out the Government's final preferred route for consultation later this year.

Eurostar is to invest £700m in new e320 trains and an upgrade of its existing fleet

Eurostar unveils new trains

Eurostar is to invest £700m in its train fleet.

In a major programme of investment in its rolling stock beginning next year Eurostar will buy 10 new trainsets to complement its existing fleet. The existing trains will undergo a complete overhaul and refurbishment to a design created by Pininfarina, the Italian design house renowned for its iconic car designs.

The new Eurostar e320 trains will be built to a bespoke specification by Siemens, based on the proven Velaro platform. The current fleet was built by Alstom.

The new trains will be interoperable across the European high speed rail network allowing Eurostar to provide direct services from London to a wider range of city centre destinations throughout Europe.

With capacity to carry more than 900 passengers including their luggage, the e320 will have 20% more seats than the existing Eurostar trains.

Capable of a speed of 320km/h (200mph), the e320 could reduce journey times between London and Paris to just over two hours, London to Amsterdam to under four hours and London to Geneva to around five hours.

The new Eurostar fleet will be equipped with the most advanced wi-fi and on-board infotainment of any train in Europe. This will include real-time travel and destination information as well as interactive entertainment including video-on-demand, music and news-feeds.

The investment is the first key initiative since the recent transformation of the business from a partnership to a single, unified corporate entity owned by SNCF, SNCB and LCR.

The current Eurostar trains were introduced in 1994 and operate at up to 300km/h.

Keep bus subsidies, say executives

There is an overwhelming need for a review on how the bus industry is funded, according to the latest Accent/*Transport Times* Senior Executive Panel Survey. The majority (91%) of respondents believe that the bus industry should be subsidised.

Nearly four in ten (38%) respondents thought that the funding currently conveyed through the bus service operators grant should be reformed to payment on a "per passenger" basis. However, nearly three in ten (28%) felt that reform should happen in other ways. Suggestions included payment on a social needs basis to ensure lucrative routes don't necessarily get subsided, but more rural routes do; the introduction of quality contracts; and continuing with a fuel cost subsidy but with grants to test new technologies.

When it came to changing the national concessionary fare scheme for the over-60s, 57% were in favour of increasing the age of eligibility to match the retirement age. A further 33% would like to see means testing introduced, so that well-off people are not beneficiaries, while 19% of respondents wanted to restrict eligibility to only local and non-national services. Almost a quarter (24%) argued for no changes.

Respondents also feel strongly about competition within the bus industry: 86% agreed that competition rules should be relaxed to allow greater collaboration between bus companies while 48% agreed that bus operators are effectively local monopolies in most parts of the UK outside London. Almost a quarter (24%) agreed that bus companies make too much profit and 29% agreed that there should be more competition in the bus industry.

Almost six in ten respondents (57%) did not feel that highway authorities should ensure that all bus stops are built to facilitate easy access complying with the Disability Discrimination Act.

Rob Sheldon, managing director of Accent, which co-sponsors of the research programme, commented: "The bus network is crucial for people who do not own their own transport and therefore rely heavily on the bus service for hospital appointments and job opportunities, as it is for those who live in rural areas.

"This research is incredibly valuable for indicating how transport executives would like to see the bus industry evolve in the future. It is imperative to make the right reforms on such a highly-valued public service. Ministers should take these opinions on board as our panel is very close to high level decision making on a daily basis."

If you are a senior executive working in the transport industry and would like to be part of this bi-monthly poll on hot topics in transportation please contact Teresa McGarry (teresa.mcgarry@accent-mr.com). Each bi-monthly survey will take no more than five minutes to complete and all answers will be treated in confidence unless you give your permission for us to quote you.

Government to merge local funding streams

Transport minister Norman Baker has announced plans for a new Local Sustainable Transport Fund.

Transport authorities outside London will be invited to develop packages of measures that support economic growth and reduce carbon emissions as well as providing a cleaner environment, improved safety and increased levels of physical activity.

Measures could include encouraging walking and cycling, initiatives to improve integration between travel modes and door-to-door journeys, better public transport and improved traffic management schemes.

In line with its localism agenda and in a move which will be welcomed by local authorities, the Government said it also intends to pool centrally-funded local transport grants to create fewer but larger funding streams which will be "largely formula-based".

Initiatives to improve public transport could benefit from the new fund

Mr Baker said: "It is at a local level that most can be done to change patterns of behaviour and encourage more sustainable travel, especially for short journeys. And in an environment of tighter budgets and greater local flexibility, the Government is determined to reduce bureaucracy and make local transport funding more efficient.

"That is why we intend to pool the myriad of centrally-funded local transport grants, to create fewer but larger funding streams, and introduce the new Local Sustainable Transport Fund."

Local partnerships – local transport authorities working with their communities – will be given a free hand to identify solutions for their areas "which are financially robust and sustainable in the long term", said the DfT.

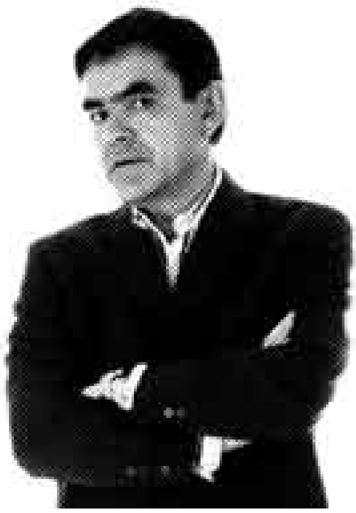
Funding for the Local Sustainable Transport Fund will be set aside from within the department's overall funding allocation following conclusion of the spending review. Details of the new fund, the resources available and how it will operate will be announced later in the year, said the department.

The Campaign for Better Transport welcomed the announcement, but said the plans would need to be well funded to be effective.

Stephen Joseph, CBT chief executive, said: "We have campaigned for a fund like this and welcome today's announcement. This fund should help reduce dependence on the car and improve alternatives. But it needs to have real and substantial money behind it if it is going to make a difference. We will look to the spending review to see if this fund gets priority over big road-building projects and other unsustainable transport."

David Begg's MINISTER WATCH

Transport Times publisher **David Begg** hits the party conference circuit



PARTY CONFERENCE SPECIAL

> **I despair because the policy stance is just not realistic and based on a false premise**

Lib Dems, Liverpool

Monday 20 September

I arrive in Liverpool and immediately I am interviewed by Channel 4 to comment on an alleged dispute between the Lib Dems and the Conservatives over rail fares. I am asked what I think of Norman Baker going back on his pre-election promise of limiting rail fare increases to inflation. I mumble a sound bite – not the one that the media want, as they are always looking to drive a wedge between the coalition partners – that those tough choices have to be made and if fare increases are needed to protect investment in our railways then it is a price worth paying.

I then urge the Government to ensure that if public transport fares are to rise then motoring costs should rise by at least the same magnitude to prevent passengers deserting trains for cars.

I do a lot fewer media interviews than I used to and I can honestly say I don't miss them! I always feel remorse for failing to get the best message over. You can never be sure how they will edit the piece, which is why it's always better to do it live.

Liverpool is at its majestic best. The sun is shining and the full magnificence of the regeneration is on show for an impressively large number of attendees for a LibDem Conference. It's the first time in decades that I have had an extensive look at the city and what is really impressive is the quality and scale of the pedestrian areas they have created in the central shopping area. However it's the friendly welcome from Scousers which leaves its mark the most. From taxi drivers to waiters there is a banter which is so endearing with a complete lack of any pretension.

To the fringe meetings, and the delegates I speak to are much more supportive of the coalition government than the impression I gained from the media. They are also very proud of their very own transport minister, Norman Baker. Norman is in good form at the Climate Change Clinic fringe meeting I am chairing on *Delivering Sustainable Transport in an age of Austerity*. He remarks that he is the first "non-transport" minister as he has been given the task of trying to reduce the demand for travel. Encouraging videoconferencing, home working and other alternatives to travel are all part of his brief.

I try to get a debate going by asking if he agrees with his boss, Philip Hammond, that we can achieve behavioural change without coercing the motorist. He has picked up the diplomacy required for government very quickly and ensures that no headlines of a split are generated.

Norman completes an excellent week by announcing the Local Sustainable Transport Fund.

Music to my ears: the Lib Dems come out strongly for green taxes. The energy secretary, Chris Huhne, backed a resolution at the conference to increase green taxes as a percentage of government revenue from the current 7.7% to 10% over the next five years. This would increase the amount raised from environmental taxes from the current £35bn to £50bn. At present most of the money from green taxes comes from fuel duty – £26bn. The move could see 30p/litre added to the price of petrol. Mr Huhne proposed that the extra revenue could be used to take millions of low earners out of income tax.

Whether the proposal has the backing of the Chancellor, George Osborne, remains to be seen. It has all the makings of a tough battle behind the scenes in the run-up to the budget next spring. This was Conservative Party policy a couple of years ago. Let's hope they are still in favour of shifting the tax burden away from income and onto activities which we are trying to discourage.

Climate Clinic events featured speakers including Transport Secretary Philip Hammon and FirstGroup chief executive Sir Moir Lockhead

Labour Party, Manchester

Monday 26 September

The mood is subdued and the New Labour camp are licking their wounds following the defeat of their standard-bearer David Miliband. His younger brother Ed makes one significant transport announcement: he is opposed to the third runway at Heathrow. This means there is unanimity between the main parties on this. It's dressed up as a key policy in tackling climate change. I wish!

Unless action is taken to reduce the growth in demand for flights, not building a third runway will actually increase the UK's carbon dioxide emissions, not to mention damage our economy, as our main European rivals develop their international hub airports at the expense of Heathrow. More flights will be kept in a holding zone around London and people from the UK will end up flying further as they are forced to connect with international flights at Schiphol and Paris Charles de Gaulle airports.

I despair because the policy stance is just not realistic and based on a false premise. Yes, there are justified arguments against expanding Heathrow based on noise, local pollution and community severance. But climate change? Do me a favour.

With Labour's shadow transport spokesman, Sadiq Khan, fully occupied as Ed Miliband's campaign manager I spend most of my time at fringe meetings with his number two, Willie Bain, the MP for Springburn in Glasgow. He makes a good suggestion that we need a more informed and honest debate about airport capacity. It's interesting that outside South-East England there is widespread support for airport expansion. In Scotland, Edinburgh and Glasgow compete with each other over which city should get a second runway and in the North of England there is a strong recognition of the importance of regional airports to the economy and inward investment.

Wednesday 29 September

I speak at an Association of Train Operators (ATOC) fringe on *Can we Afford the Railways?* Despite the fact that rail patronage is up by 60% since privatisation and customer satisfaction at an all-time high, there is still discontent and calls for nationalisation. I don't recognise the utopian view of the old British Rail – which Michael Roberts, the very able chief executive of ATOC, points out increased fares at twice the rate in real terms than has occurred since privatisation. I come away from the fringe in despair that so many trade unionists and party activists are living on another planet when it comes to the scale of the financial crisis facing the country and a failure to recognise that we have lived through a decade of unprecedented investment in rail.

Bump into a plethora of ex-transport ministers who have lost their seats and available for employment. The one exception is David Jamieson who stood down from his Plymouth seat in 2005 and has become a local councillor in Solihull and a member of the West Midland Integrated Transport Authority. David was first elected as the youngest-ever member of Solihull Council in 1970. I found it refreshing that a former transport minister is prepared to do his bit at local level. It shows that local government is not always just a stepping stone to Westminster, but that you can always go back.

Thursday 30 Sptember

The transport session at conference is a damp squib. Sadiq Khan is not in a position to say anything of substance as Labour regroups and focus on shadow cabinet elections.

Conservatives, Birmingham

Sunday 3 October

Travel up from London on the Sunday on the excellent Virgin Pendolino service, which contrasts sharply with the eyesore that is Birmingham New Street Station. It shows that train operators have delivered much better than the infrastructure provider!

Monday 4 October

What a bummer – I have a breakfast fringe meeting to chair for ATOC on the Monday and it clashes with the Ryder Cup, which has been extended to accommodate rain delays. If you're a golf fan like me you will appreciate how big a sacrifice this is!

The meeting is worth the effort: around 60 attend in an invite-only audience which includes the great and the good from train operating companies, Sir Roy McNulty – the man who is carrying out a cost review of the industry – and a few new Conservative MPs who are passionate about railways which is good to see. (Watch out for Paul Maynard, the newly-elected MP for Blackpool – he is very knowledgeable on transport, pro-rail and a member of the transport select committee.)

Philip Hammond continues to impress. When I ask the audience, after he has left the room, what they thought, there is unanimous agreement that he is good news. His parting words were that he and ATOC seemed to be on the same page. This was in response to comments from leading figures in the industry.

Tony Collins, CEO of Virgin Trains had been critical of the shackles that over-prescriptive franchises have imposed on the industry and advocated reform to allow train operators to invest and innovate in their services. Mark Hopwood, managing director of First Great Western, targeted Network Rail for reform and called for greater decisions to be made by route directors and train operators to drive down costs. It's one version of vertical integration.

Claire Haigh, campaign director, Greener Journeys

Dominic Booth, chief operating officer of Abellio (joint Northern Rail and Merseyrail franchise holder with Serco) advocated prioritising investments which have clear value to the passenger, which will raise patronage, satisfaction and revenue, rather than the grand projects favoured by bureaucrats and engineers. Michael Roberts of ATOC highlighted the importance of getting the right balance of funding between taxation and fares when we need to drive increased patronage and encourage modal shift to reduce carbon emissions.

Everyone in the room – from politicians to consumer groups to train operators – broke out in rabid agreement.

Sir Roy McNulty sobered up the mood by reminding us that railways are the only industry which has experienced a growth in unit costs over the past decade and its failure to innovate has been very disappointing. If the rail revolution is to continue then it will have to offer better value for money for both the taxpayer and fare payer.

Tuesday 5 October

After spending the next day and a half drinking too much coffee and chatting to all and sundry, as well as being a bag-carrier for my wife Claire who is campaigning for the bus industry's Greener Journeys initiative, I chair the Climate Clinic fringe (supported by Greener Journeys, Low Carbon Vehicle Partnership and Transport Times) on the Tuesday evening where Philip Hammond is the keynote speaker.

Opening the session, Mr Hammond reiterates the crucial role transport will play in reducing the deficit and stimulating economic growth by making the country attractive to invest in, as well as reducing carbon and contributing to the Big Society.

Because most travel made is on a local basis, the Big Society will be involved in removing bureaucracy so local transport providers can make decisions.

In answer to a question on the possibility of tram schemes, Mr Hammond says sustainable Local Enterprise Partnerships (LEPs) could take control of transport projects.

He criticises the use of planning laws in limiting the demand for car travel. He says that under John Prescott Labour built many inner city small flats but they are now being left empty by families seeking a bigger house and a garden. Squeezing people into flats for regeneration purposes and to quell the use of the car is not sustainable, he continues.

Turning his attention to buses, Mr Hammond asserts that to be a viable option in the future they need to be more attractive and have smart ticketing. He admits, however, that buses have tried to become more attractive – a move that ironically led them to emitting more carbon as they were heavier and had air-conditioning.

Sir Moir Lockhead, First Group chief executive, enthuses about the success of the Greener Journeys initiative in getting bus companies together to work on a campaign for people to use the bus more. The scheme aims to highlight that buses can cope with a billion more journeys without an increase in CO_2 levels.

Moir retires at the end of March and he will be badly missed.

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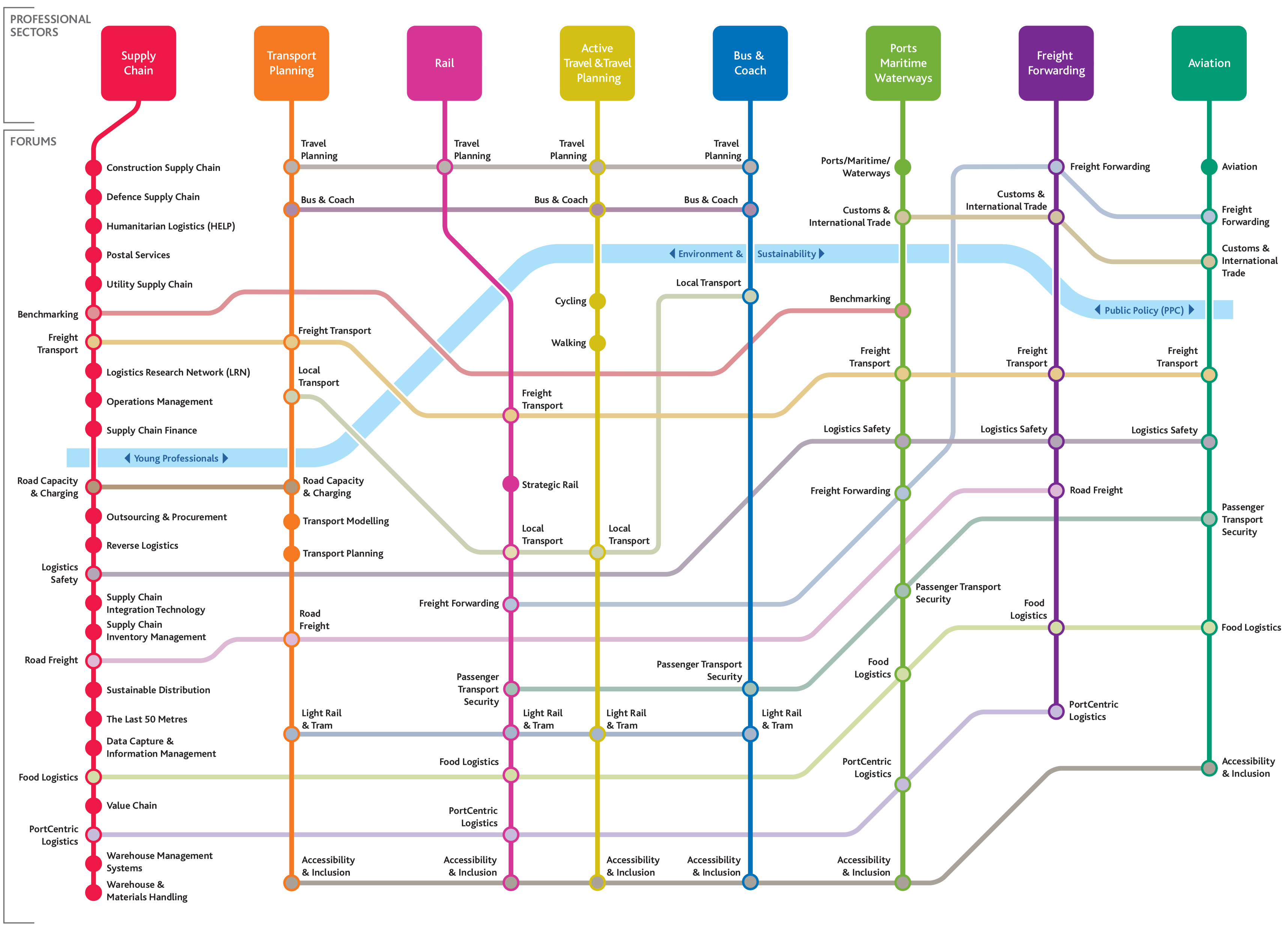

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Transport secretary responds to Wolmar criticism

Philip Hammond: Funding for cycling cannot be guaranteed

From: Philip Hammond

Subj: An open letter to Christian Wolmar

I think we both knew when I took this job we weren't going to see eye to eye. After all, the election result meant that the man you describe as your "star pupil" – Lord Adonis – is no longer the Transport Secretary.

It was only a matter of time before you began criticising us for not continuing the policies of the last Government. I expected you to attack us for being "populist" when we implemented our manifesto commitments.

But I have to say I was surprised to read your recent personal attack on Norman Baker (TT last month). After all, it is now a near universally-accepted fact that spending cuts have to happen. The profligacy of the past cannot continue if this country wants to have a bright future. Unless we balance the books, and balance them quickly, there would be no chance we would be able to afford many of the things you want us to do in the future, such as High Speed Rail.

Your letter attacking Norman for not being able to guarantee by central Government diktat that every penny currently spent on cycling would go on being spent on cycling shows that you have failed to understand that all areas of spending need to contribute to cutting the deficit – and failed to understand the scale of our commitment to local decision-making.

The way I see it is that you have a choice. You can stand on the sidelines, shouting loudly about how no cuts should ever be made to cycling spending and demanding Government ring-fencing, or you can rejoin the reality-based community.

Because if you are able to accept that there are some difficult choices ahead, and that, yes, some of your pet projects will have to share the pain; if you can accept that local people should have more say in deciding what's right for them, then we can have a grown-up conversation and your knowledge might gain some influence and your expertise be put to good use.

That after all is the tough decision that Norman Baker and his Liberal Democrat colleagues have taken. We may not always agree on everything, but we are both realists and we know that the country is stronger when we work together on the difficult decisions ahead. And, truth be told, Norman has far more influence now inside the Government than he ever would outside it. I can assure you Norman in Government remains a doughty campaigner for sustainable travel.

So the real question here is whether you will join Norman and me in the real world, or whether you will retreat to a comfort zone of knee-jerk criticism. I hope for your sake, and for the sake of the causes you champion, that you choose the former.

Philip Hammond
Transport Secretary

From: Will McWilliams

Subj: Funding for sustainable transport

News announced by the minister for local transport, Norman Baker, for a new Local Sustainable Transport Fund will be a step in the right direction in enabling the UK's major city regions to match the best of their competitor locations in Europe, North America and elsewhere.

Despite the public deficit, it is welcome news that the government has realised the importance of implementing more sophisticated sustainable transport development strategies that forge genuine links between land use planning, property development, inward investment and quality of life.

Funding towards reversing the historic under-investment in sustainable UK city transport networks needs to focus on ensuring congestion, unreliability and environmental impacts, such as air pollution, are diminished. This will help ensure both quality of life and the attractiveness of our cities to people looking for a job, home or other opportunity.

Significant, sustained investment needs also to be targeted in the key radial fixed links and interchange nodes that form the basis of the transport system, especially in those places growing fast as a result of city centre jobs growth. In financial and other business services, a mix of large and small investment schemes is appropriate – big schemes, such as trams and metros, can make a big difference, but so can a targeted programme of smaller schemes aimed at relieving key bottlenecks and improving the reliability of vulnerable links.

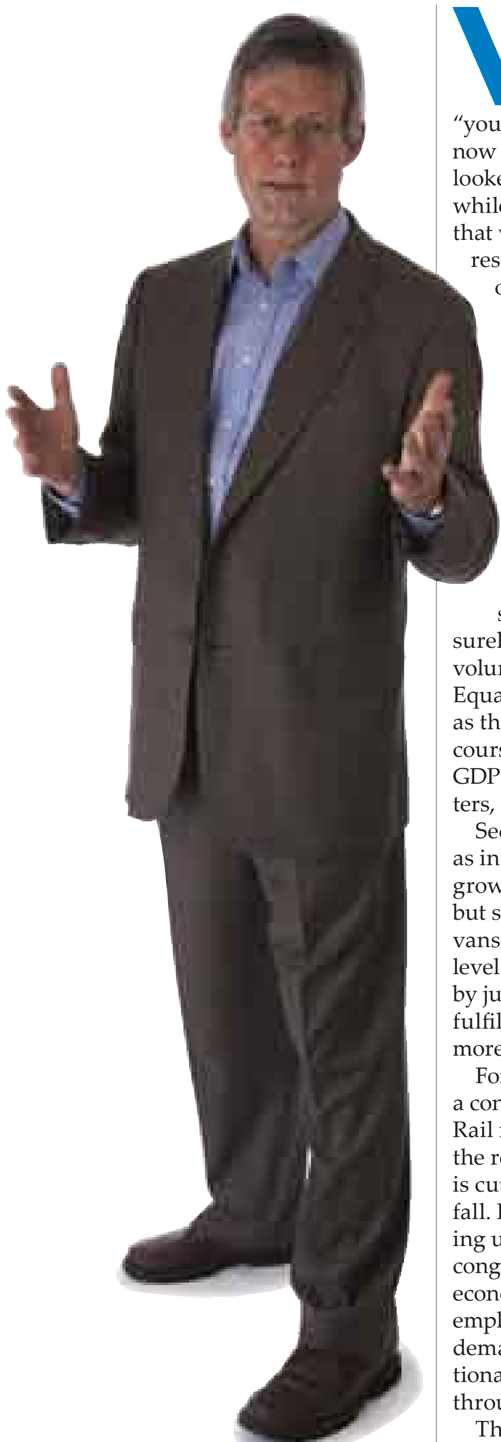
The UK has for far too long relied on the assumption that the bare minimum of transport investment will be enough to get by. Although transport investment in itself cannot guarantee economic success, recent evidence suggests that it is increasingly difficult to build sustainable economic growth without it. Investment in modern transport systems – especially fixed rapid transit networks – is an unavoidably critical part of any credible strategy to enhance city competitiveness.

Will McWilliams
Head of Transport, and Government & Infrastructure Advisory partner, Grant Thornton UK LLP

Send your comments to editorial@transporttimes.co.uk

It’s too soon to say whether traffic has peaked

Suggestions that the link between growth in the economy and rising levels of traffic has been broken seem persuasive but behind the overall picture lurk a number of complex, and competing, factors



Writing in another journal, Professor Phil Goodwin has posed the question: “you’ve heard of peak oil, but are we now experiencing peak car?” He’s looked at recent travel trends, and while he knows as well as anyone that we really need some serious research to get a confident answer, on the face of it he may be right.

Cue a chorus of cheers from environmentalists who have long pleaded for policies that would encourage a break in the correlation between economic growth and traffic levels. So have we reached a turning point? Or is this just wishful thinking?

Well, first of all, there has been an economic recession of some magnitude. So we would surely expect a decline in traffic volumes over the last two years. Equally, we would expect an increase as the economy recovers in due course. So far, even with a couple of GDP increases in the last two quarters, this hasn’t happened.

Second, traffic trends here – just as in the US – are showing lower growth rates in person travel by car, but serious annual growth in light vans which are now 60% up on 1993 levels (whereas car traffic has grown by just 19%). In this era of logistics fulfilment, the delivery van is ever more important.

For person travel, there has been a continuing switch from car to rail. Rail is still growing (just) through the recession even as business travel is cut back and disposable incomes fall. Rail is the spillover mode, soaking up demand from the ever-more congested roads sector, when the economy grows. Central London employment (a key driver of rail demand, even when measured nationally) has held up remarkably well through the recession so far.

The third point helps to explain why rail patronage has held up so well. The recession has coincided with a period of very high fuel prices. In July 2008, fuel topped £1/litre and has not looked back. This has had a strong effect on the propensity for car use, and would explain a lot of the levelling. It is certainly helping to drive a trend towards much more fuel-efficient cars.

Fourth, the effect varies between nations – and within nations. Sweden apparently reached some kind of saturation in traffic levels several years ago, while its economy was growing well. In Britain, traffic levels had not been growing (or if they have, at very modest levels) in the wider South-East for some time even before the recession hit – yet in the north, volumes were at the same time still increasing. This reflects many regional differences, including in incomes and driving licence levels.

> **The effective capacity of the road network available for cars has almost certainly reduced in places such as outer London over the last ten or 15 years**

Fifth, in the wider discussion on journeys made per person and on person miles travelled/year, there has been an apparent degree of stability for some years. This gives rise to the notion that we each have an annual quota of trips to make – or a limit to how many hours travelling each day we are prepared to tolerate. This is a point where I feel like repeating Stephen Glaister’s recent invocation never to use averages in these matters. And even if trip rates per head level off, it still doesn’t mean traffic levels won’t rise, because there is an increasing population to contend with.

So let’s hope the DfT’s residual research budget can stretch to some work in this area, and a focus on regional variation and separating out fuel elasticity effects would seem to be critical factors. Peak car may turn out to be illusory, but it will certainly have a more complex topography than can be seen at an aggregate, national, level.

But now consider why, at least in some parts of the country – outer London, for example – traffic volumes haven’t been rising for many years. And traffic speeds have been falling too. How do we square this with rising prosperity?

One of the factors here that is very hard to measure is the capability of the road network (including its capacity) in respect of car users. In fact, the effective capacity available for cars has almost certainly reduced in places such as these over the last ten or fifteen years. Effective lane miles have been disappearing just as surely as proper pedestrian crossing facilities, 20mph residential zones, banned turns, pedestrianisation, bus lanes and the whole ensemble of traffic engineering improvements have been put in. It wasn’t an intentional “war on the motorist”, just an informal, often locally-driven programme being undertaken when all the possible complementary measures that would retain effective capacity for private vehicle traffic (underground car parks, small scale underpass schemes, road widening…) were ruled off-limits.

In the busiest parts of the country, traffic volumes and speeds are reducing together – and the trend is set to continue. Rail use, as one consequence, will rise well above any economic/GDP dependent effect, provided it is not priced off.

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

Pioneering busway is mired in controversy

With no opening date in sight for Cambridgeshire's ambitious but troubled guided busway, campaigners are restating the argument that it would have been better to reopen the rail line instead

It seemed a good idea at the time. Well, at least to some people. Instead of reinstating a railway line through the rapidly expanding hinterland of Cambridge, Cambridgeshire County Council pushed for a guided busway. The narrow old rail track between the city and St Ives could then accommodate a twin track for buses which would also be able to leave the old track bed to serve the growing dormitory towns being built around the city.

More flexible and cheaper than a train, it won over ministers who decided to fund most of the £116m cost, partly as a trial for the whole concept. They thought it would be a cheap way of bringing efficient public transport to suburban areas and the Cambridge scheme was seen as the ideal.

It has not turned out like that. The scheme is in chaos with writs flying, no opening date and recriminations all round. The ministers, of course, are no longer around but Cambridgeshire has long regretted ever being involved with the busway concept.

The whole project should have been handed over in February 2009, opening a couple of months later after driver-training and route-familiarisation; but now, more than 18 months later, there is no opening date for any of the route.

Meanwhile, the cost has soared to at least £160m, and a dispute between the contractor and the council is heading for the High Court. The exasperated council has just announced that there will be a public inquiry into the scheme, but that can only start once legal proceedings, expected to be lengthy, are out of the way.

The project was controversial because local campaigners wanted to see the rail line reinstated rather than the guided busway. The busway scheme is ambitious: the longest in the world, including two sections of guideway totalling 25km and a total route length of 40km. The northern section runs along the line of the disused St Ives-Cambridge railway while the southern section runs from Cambridge railway station to Trumpington and Addenbrooke's hospital. In between, the buses run on normal roads.

The root of the problem seems to be that laying a concrete guideway over the wet terrain of the Fens has proved troublesome. No other busway in the world operates in such demanding conditions. Tim Phillips, the chairman of Cast.Iron, which wanted the railway reinstated, suggests that it is the lack of understanding of the limitations of the technology which are at the root

> **The blunders of the Cambridge project highlight yet again the risks of using untried technology rather than simply reinstating the railway**

of the problem: "Installing a concrete guideway along the route of a railway and over a fen is different from any previous busway. Laying long, stiff and heavy concrete beams on what amounts to a bog to very tight tolerances has never been done in the world."

It is striking that the opening of the world's first major railway, the Liverpool & Manchester, was also delayed by difficulties in dealing with the marshy land of the notorious Chat Moss.

Mr Phillips points out that buses will have to travel further by using the old railway trackbed in order not to add to the congestion on the A14 and this means that trips along the busway between St Ives and Cambridge will be longer, both in distance and time, than the current conventional service. Supporters argue that it will still attract people out of their cars because it will be more reliable.

There have also been problems with a bridge built over the River Ouse and a dispute over lighting on a guided section, which the contractor, which is already having to pay £14,000 per day in compensation, was reluctant to install.

The strangest aspect of this tale is that the Labour government, just before leaving office, agreed to fund a similar £89m scheme between Luton airport and Houghton Regis, using the track bed of the long-closed Dunstable branch line. Again, local opponents lobbied to reinstate the line with light rail but to no avail.

The blunders of the Cambridge project highlight yet again the risks of using untried technology rather than simply reinstating the railway. Of course one of the barriers was the likely cost of the involvement of Network Rail, which was not enthusiastic about rail reinstatement. There is no doubt that Network Rail would have insisted on providing everything on the line to the highest modern standard rather than making do with cheap materials that might have made the scheme viable.

Ironically, a preliminary estimate of the cost of reinstatement was £105m, less than the original cost of the busway, but thought to be too expensive at the time.

The lessons from this procurement process are the old ones: don't be a pioneer and if possible stick to tried and tested methods. Unfortunately for Cambridgeshire council taxpayers, this advice was not heeded.

Christian Wolmar's new book, *Engines of War*, has just been published by Atlantic Books, £20.

M4 U-turn helps neither drivers or bus passengers

The controversy over the M4 bus lane between Heathrow and London had long since ceased, and there is little to gain from scrappping it

Spare a moment to pity the hapless ministers in the coalition government. They are saddled with sorting out the record budget deficit racked up by the previous lot.

The new regime has nothing to offer us but blood, toil, tears and sweat.

Surely, then, we can forgive a few crowd-pleasing gestures designed to distract from the litany of cuts, cuts, cuts?

Philip Hammond, the transport secretary, roused the blue rinse brigade at the party conference in Birmingham by announcing the suspension of the M4 bus lane in West London. It was presented as a gift to drivers: "Motorists and hauliers will benefit from an extra lane before Christmas".

Mr Hammond said the bus lane, introduced by John Prescott in 1999, was "symbolic of Labour's war on the motorist".

It is true that motoring groups hated the lane from the start and it was very controversial in the early years. Tony Blair fanned the flames of popular prejudice by treating it as a Soviet-style Zil lane, nipping into it to avoid a traffic jam.

But the lane stopped attracting significant media attention several years ago. A handful of petrolheads, determined to portray themselves as persecuted, continued to blab on about how empty the lane was.

But most regular M4 drivers grudgingly accepted it for one simple reason: they knew that the motorway reduced from three lanes to two at the Chiswick flyover.

As Professor Geoff New, an M4 commuter since 1978, pointed out in a letter to *The Times* defending the bus lane: "Traffic flow on any section of road is determined by the weakest link."

When the lane is removed, drivers will still have to join a queue to funnel into two lanes and they will not experience any significant time saving. The cleverness of the M4 bus lane is that it has displaced out to Heathrow the point at which London-bound drivers have to switch to two lanes. Removing the bottleneck from where the traffic is heaviest allows a smoother transition from three lanes to two.

Bus users are generally treated as second-class citizens and bus lanes play an important role not just in saving them time but in showing them that society values their decision to take the greener option. The sight of a bus whizzing past also prompts some drivers to reconsider their own decision to contribute to congestion and emissions by travelling in a private car.

> **Drivers will still have to funnel into two lanes at the Chiswick flyover and will not experience any significant time saving**

A few months after the bus lane opened, the Transport Research Laboratory found that, during peak periods, buses and taxis saved 3.5 minutes. Cars and lorries also saved about a minute because the removal of the bottleneck before the flyover resulted in smoother journeys.

But now Mr Hammond has reopened this old wound in the battle between private and public transport. His decision to suspend the bus lane was strategically leaked on 1 October, perhaps to deflect attention from the coalition's decision to press ahead that day with the 1p a litre increase in fuel duty.

Mr Hammond claimed that his decision was supported by the "latest analysis". It is remarkable how compliant civil servants can be in providing the evidence that suits the prejudices of their current political masters.

The Department for Transport press release said that the analysis "showed that journey times at peak periods would be reduced for car drivers and hauliers without significantly affecting vehicles currently allowed to use the lane".

The Highways Agency, which conducted the analysis, was unable to tell me how many minutes car drivers would save. When I pressed the agency, it said: "On average car drivers' journey times will reduce by 7% during the morning peak."

That is a seven per cent saving over the 3.5 miles of the bus lane, not over their whole journey. I can understand why the agency was unwilling to express this in minutes because it is probably less than a minute per car.

The agency claimed that there would be "minimal change" for bus and taxi passengers but refused to give either a percentage or an actual time. It said: "The figures are based on early analysis; however the findings will be tested during the period of the Experimental Order."

I strongly suspect that the government's reluctance to publish the figures is because they would show that the time lost by the average bus passenger from the removal of the lane will be greater than the time gained by the average car driver.

Mr Hammond wants to portray himself and his party as the motorist's friend, but is finding it easier to pander to prejudices than to address the root cause of the problem, which is that that most cars on the M4 contain only the driver.

Just as his war on speed cameras will result in more drivers being killed, so Mr Hammond's war on bus passengers will result in more drivers being delayed.

With friends like that, who needs enemies?

Ben Webster is Environment Editor of The Times

Free councils from Whitehall's straitjacket

To bridge the funding gap we must scrap fragmented budgets, combine funding streams, devolve accountability to local level and link decisions to economic objectives

Transport policy is set to undergo the most radical change it has experienced in half a century, not because of a sudden enlightenment or new brainwave by transport planners and decision-makers, but because of a forced shift driven by the current economic climate.

Our policies have remained essentially the same for decades, although the emphasis on its various elements has varied with successive governments. However, the economic downturn has placed us on the verge of a dramatic rethink.

Local government should be at the heart of this new move but there is a real danger that authorities will have few options but to retrench to manage their budget cuts, resorting to short-term downsizing of the easy targets such as highway maintenance and integrated transport, with little regard for the bigger picture surrounding economic recovery.

Public spending on transport has grown rapidly in real terms over recent years. Now that the situation is set to be reversed there will be few engineers and planners who have experienced such a downturn.

It has been estimated that cuts in government grant, combined with rising demand, could create an annual funding gap of between £16bn and £20bn by 2014/15 that cannot be absorbed without radical reform of what we deliver and how we do it. It will be a real challenge to reduce spending on statutory functions while maintaining service levels, and "discretionary" spending will be under significant threat, no matter how valued by the public.

Ironically, it is well understood that investment in new and existing infrastructure is a vital ingredient to support economic recovery and growth. The Institute of Directors has suggested that the level of investment needed for the nation's infrastructure demand is in the order of £500bn by 2020, which is beyond affordability under current policy. Nevertheless, it would still be short-sighted to ease off the pressure for funding.

We need to ensure that our current mantra of maintaining the highway network as a top priority is not treated as an inadvertent let-off for local and central government for much-needed investment in new and better transport systems. With the best will in the world, filling potholes and the introduction of a few cycleways and road humps, important as they are, will not have the necessary impact to take us out of recession.

The challenge to find much-needed investment for an efficient transport network is exacerbated by decades of underfunding of highway maintenance. Estimates indicate that there was a shortfall of around £800m for highway maintenance in England and Wales during 2009/10 and a total backlog of £9.5bn.

"Filling potholes and the introduction of a few cycleways and road humps will not have the impact to take us out of recession"

On top of this local authorities spend around £1.1bn on concessionary travel schemes and a further £2.6bn in supporting socially necessary bus services. New approaches and new funding mechanisms (such as tax increment financing, local tariffs and business rates) must be found if the economic recovery is to be sustainable.

A good start would be to end the fragmentation of funding in government departments and to give more thought to the concept of single streams of money with far more local control over how it is spent. We are still locked into a policy framework that has been set centrally giving little choice.

If local authorities are to lever in investment from the private sector, then more must be done to instil a higher level of confidence. Devolution of budgets and powers to the local level must be accompanied by a sensible balance of responsibility and accountability.

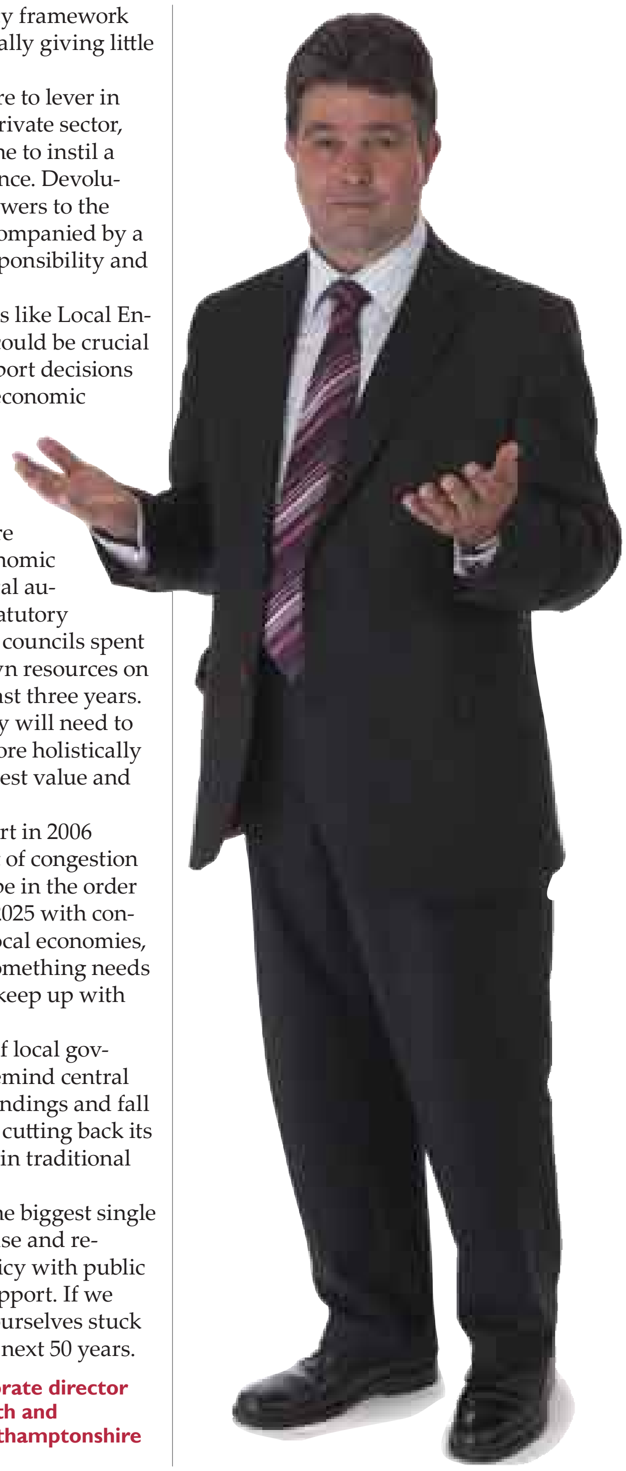
The role of initiatives like Local Enterprise Partnerships could be crucial in ensuring that transport decisions are directly linked to economic recovery objectives, and not just the outcome of local authority salami-slicing at the time of severe budget pressures. Economic development at the local authority level is not a statutory function, even though councils spent over £3.5bn of their own resources on this activity over the last three years. It is inevitable that they will need to look at our funding more holistically if they are to achieve best value and stimulate growth.

The Eddington report in 2006 estimated that the cost of congestion to the country would be in the order of £22bn annually by 2025 with concomitant impacts on local economies, and recognised that something needs to be done in order to keep up with demand.

It would be remiss of local government if it did not remind central government of these findings and fall into the trap of simply cutting back its own expenditure within traditional silos.

We have arguably the biggest single opportunity to revitalise and re-energise transport policy with public understanding and support. If we miss it we could find ourselves stuck in the same rut for the next 50 years.

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



Place your bets for the return of Livingstone

London Mayor Boris Johnson sounds upbeat, but association in voters' minds with Conservative spending cuts hands his opponent a formidable weapon

Nothing is certain in life, as Benjamin Franklin remarked, but death and taxes. A few pounds, however, on Ken Livingstone being re-elected as mayor of London in just over a year and a half could be a shrewd bet.

For the moment, the current mayor, Boris Johnson, is the less than even-money favourite. But if a week is a long time in politics, a year or more is an eternity.

Current opinion polls which show the mayor with twice the support of his grizzled left-wing challenger are deceptive. Nothing has happened in the past months to make me change my view that Boris will be a one-term mayor.

A few days ago the mayor tweeted his supporters: "Always thought this is a great job. I'm confirming today that I'd love a second term." As always with Boris, the words are good. He is easy to under-rate because of his jokey manner. But he is no buffoon. Rather he is intensely ambitious, a brilliant communicator who is able to reach out well beyond his natural support.

But I doubt whether he really wants to be mayor for another four years. Though he jokes that "I have as much chance of becoming prime minister as of being decapitated by a frisbee or of finding Elvis", that is strictly for public consumption. His heart is at Westminster, and he would love to be in with a chance to succeed David Cameron.

Red Ken, by comparison, has but one purpose in life. Since his defeat in May 2008, he has spent his time waiting, plotting, planning and preparing for a third term of office. He may be 65 and a voice from Labour's militant past, but no one knows more about London and its byzantine politics. Not surprisingly he trounced Oona King, his only challenger, in the Labour primary election.

He is now in the fortunate position of being able to sit back and blame his opponent for fare increases and public expenditure cuts. He has already accused Boris of targeting the poor while supporting his wealthy City backers: "The choice between me and Boris Johnson couldn't be clearer. Boris is a Robin Hood in reverse, hitting the poorest hardest."

There will be much more of this in the months ahead. By the time of the mayoral election in May 2012, the Conservative-led coalition government is bound to be unpopular. Some of this will inevitably rub off on Boris.

> **Ken's record as mayor in his first two terms before sinking into spendthrift cronyism was not bad**

There is no way, with his political stance on the right of his party, that he can distance himself from the government's public expenditure squeeze. This alone is likely to prove decisive in May 2012.

But there is another factor. Labour's vote in London at the general election showed a surprising resilience, despite the party's worst overall result in decades.

The key battleground of the mayoral election will be transport. Ken is well-prepared. His slickly produced website has a 19-page transport policy document setting out his determination to restore the western extension of the congestion charge, which the mayor is committed to end early next year.

That decision, based on a patently flawed consultation, is probably the biggest error that Boris has made. For every small trader who is pleased by the removal of the zone, there will be ten times as many residents furious at an increase of 30,000 cars a day in one of the most heavily trafficked areas of London. And the £70m in annual revenue lost as a result of the scrapping of the charge will add to the mayor's funding crisis.

If this had been his only error, Boris might be able to gloss over it. But he has also failed to come up with a coherent plan to control demand for scarce road space in any part of London. The mayor's strategy has been described caustically by independent think-tank the RAC Foundation as "inadequate… unrealistic and not credible".

Given this open goal, Ken Livingstone does not have to do much to persuade voters that he would be a better candidate. Whatever one feels about him personally, his record as mayor in his first two terms before sinking into spendthrift cronyism was not bad.

He is full of ideas for the future from a £25 a day gas-guzzler congestion charge to smart technology to help drivers find parking places. His record on promoting bus travel is good, and he will be believed when he says he will fight to protect bus services and keep fares low.

The Boris versus Ken show over the next 20 months is likely to be entertaining. It may even be instructive. But it is almost certain that it will be decided by the tide of national politics.

If the mayor can swim against that strong current given his record, I will swallow my gambling losses and eat my proverbial hat.

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.

A reformed Network Rail will benefit everyone

Regional units responsible for operations, maintenance and renewal, working more closely with train operators, are the key to improving efficiency and cutting the cost of rail, argues **Michael Roberts**

The railways have achieved many successes since privatisation. Journeys by rail have boomed 60%, while punctuality and customer satisfaction have never been higher. They are integral to Britain's future as a modern, green economy.

The key to rail's continued success is to ensure it becomes even more customer-focused and cost-efficient. Longer, smarter franchises would help do this by increasing the incentives to private sector investment and innovation in customer improvements.

But we also need to see a new approach which brings track and train closer through a change in the relationship between Network Rail as infrastructure operator and train companies. Better alignment of incentives and organisations would improve cost efficiency and produce a railway more responsive to its customers' needs.

In recent years, we have seen how a joint approach at route level between Network Rail and train companies has improved performance. Work is also already under way to build on common ground in the industry and enable train operators to take on greater responsibility for stations from Network Rail.

We want to see these ideas go further. Train operators, with lower overheads and shorter chains of command than Network Rail, could save £250-500m on planned station spending over the current five-year investment period. They should have the chance to take on more responsibility for major stations, as well as the ones currently being discussed.

More significantly, we want to see more authority and resources within Network Rail devolved to its route directors, transforming the organisation into a number of strong sub-national units with greater transparency of costs and income at that level than today.

These units would be accountable for operations, maintenance and renewal in their areas, working much more closely with their train operating company customers. The precise form of relationship might vary across the network, but it would embrace clear joint goals not just on performance but also cost reduction and network availability or capacity, and the chance to share the benefits of delivering those goals. Nationally, Network Rail would focus on ensuring the leanest possible overhead structure to enable network-wide co-ordination between the units on timetabling and technical standards.

> **Train operators could save £250-500m on planned station spending over the current five-year investment period**

We believe this approach would allow business performance across the devolved units to be benchmarked, thus driving cost reduction. The opportunity for faster, more local decision-making, more aligned with the needs of passengers, would also encourage a culture which sought to increase industry revenue – an equally vital priority to put railway finances on a stronger long-term footing.

Another option made possible by this approach is vertical integration – that is, even closer alignment of track and train within one organisation. This may not be viable on all parts of the network. Where it is, it remains to be seen what the optimum degree of integration should be (with, say, making the train operator responsible for just signalling at one end of the spectrum, right through to full asset ownership and responsibility at the other). Integration would also need to address the needs of passenger and freight operators which are not the lead operator on the route. But in principle it offers greater scope, if done well, for competition to drive cost reduction in the way infrastructure is provided – as well as concentrating operational decisions in one place, to the advantage of the passenger.

We also think train operators should have more of a role in the bulk of projects to enhance the network, increasing contestability and customer-focus in this area of network investment. This could be done either by encouraging operators to lead on such schemes when bidding for longer franchises; or giving responsibility to our proposed devolved Network Rail units and ensuring greater operator involvement from the outset in working with units to develop such projects.

Ultimately, change could even lead to units within Network Rail being sold off – as has been done successfully in other sectors (such as with National Grid's national gas distribution network). But even if this is some way in the future, there is much that we can get on with that benefits passengers and taxpayers, by implementing the other proposals for change set out above.

The current sharp focus on better value for money in rail is not the only reason why the time is right now for change. A new, pro-reform Government and signs of an emerging new spirit in Network Rail make this a great opportunity for rail, which train companies are committed to realise with their partners in the industry.

Michael Roberts is chief executive of the Association of Train Operating Companies.

Michael Roberts: "A new approach would bring track and train closer"

Electric cars are only as clean as their power source

Many predict a rapid change to electric vehicles to usher in an era of low-carbon transport. But this won't happen until the dependence of power generation on fossil fuels is broken, says **Oliver Inderwildi**

Oliver Inderwildi: "Hasty conversion to EVs might have unintended consequences"

Electric vehicles (EVs) are often seen as the silver bullet in road transport and they would indeed provide many advantages. A conversion of our car fleet from internal combustion to electric engines would weaken our reliance on a volatile oil market and consequently would increase our energy security. Electric cars do not cause tailpipe emissions and hence, air quality – especially in urban areas – would benefit greatly.

When considering pollutant emissions, electric cars are indeed a low-emission option and people suffering for instance from asthma would greatly benefit from a rapid deployment of EVs and a swift conversion of our fleet.

These are striking advantages, but EVs have a restricted range, which can lead to so-called range anxiety (can I make it home/to work?) and long recharging times. There is, however, another disadvantage that is not frequently addressed.

Most of the electricity generated globally is produced by combustion of fossil fuels which produces greenhouse gases (GHG), mainly carbon dioxide. The UK, for instance, relies heavily on natural gas, while the US relies on domestic coal for electricity provision.

So recharging your electric car in these countries in some respects is like fuelling it with coal or gas. In the UK, the emissions caused by a small EV are similar to the emissions caused by a small, efficient combustion engine car at around 100g CO_2/km.

Wherever electricity generation relies heavily on fossil fuels, EVs are not zero and not even low-emission vehicles. They are shifting emissions from the tailpipe to the power plant. In these parts of the world, we could equally reduce our emissions by just buying smaller cars, which would also release our crude oil addiction and increase our energy security with additional benefits for urban air quality – just as in case of EVs. Moreover, efficient conventional cars do not suffer from the limited range or long recharging times, and last but not least they are far cheaper both than their large counterparts and EVs.

> **Where electricity generation relies heavily on fossil fuels, EVs are not zero and not even low-emission vehicles**

But how does this look in a country that has already largely released its electricity sector from fossil fuel addiction? France decided in 1974, just after the oil shock, to focus on nuclear sources for electricity provision in order to increase its energy security. Since electricity generation from nuclear sources causes only minimal GHG emissions, France has not only strengthened its energy security but also laid the foundations for low-emission electricity. If we now compare the indirect emissions of three electric cars in the UK (gas), the US (coal) and France (nuclear), it is immediately visible how these depend on the emission intensity of the electricity grid (see chart below).

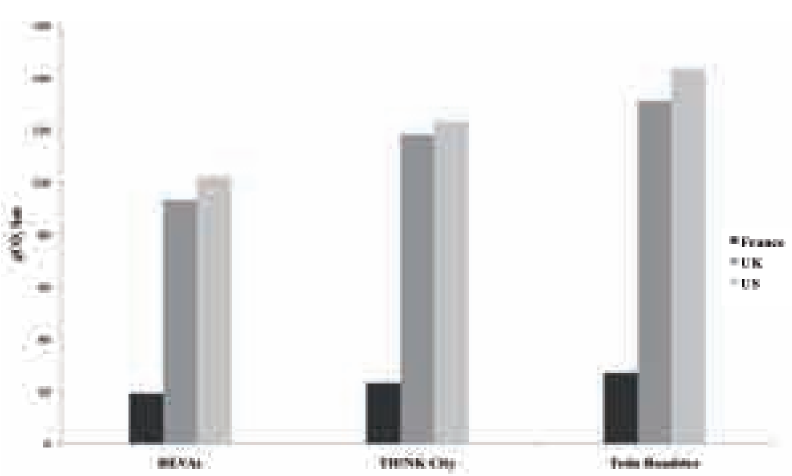
In addition, the emissions caused by vehicle manufacturing have to be taken into account in order to generate a comprehensive picture of this highly complex issue. Only if the emission reduction is large enough to pay back the extra emissions caused by EV manufacturing will electric mobility on the road make sense.

Thinking long-term, an EV fleet may increase the flexibility offered by intelligent electricity grids by providing a considerable amount of storage capacity during off-peak hours. This, combined with continuous investments in low-carbon electricity production, could indeed create a low-carbon future for road transport.

However a quick and hastily conversion of our car fleet to EVs might come with unintended consequences. We might release our addiction to crude oil while getting addicted to certain metals necessary for the production of batteries. This would be like going on a methadone program – not the right way forward.

If we want to realise the full emission-reduction potential of electric cars, we have to release our electricity sector from its fossil fuel addiction. Due to extremely long lead times and lifetimes for power plants, however, it is unlikely that the emission intensity will change significantly over this and the coming decade. Defossilising the generation of electricity must therefore be a priority, because it is used in almost every walk of life, soon maybe even in transportation. Low-emission electricity will lay the foundation for low-emission economic growth.

Indirect emissions of three electric cars in the UK, France and the US



Dr Oliver Inderwildi is head of the Low Carbon Mobility Centre at the Smith School of Enterprise and the Environment at Oxford University. Dr Inderwildi was lead author of the report *Indirect Emissions from Electric Vehicles: Emissions from Electricity Generation*.

Costs and benefits are not the whole story

David Begg introduces a six-page special feature on the importance of transport investment

The former US President Lyndon Johnson once famously said to his economic advisor JK Galbraith that "Delivering an economics speech must be like pissing down the inside leg of your trousers: it feels hot to you but to no-one else".

This is how I feel writing about transport investment appraisal!

Transport minster Theresa Villiers set the ball rolling by announcing a review of how we appraise transport schemes. This is welcome. A generation ago transport economists recommended that quantifying time savings to users was the best way to appraise investment. However, it was supposed to be just one way of ranking competing projects, rather than a definitive position on which schemes should go ahead.

We know that transport investment is important for the economy but we are still in our infancy when it comes to quantifying it. When Lewis Atter was head of transport at the Treasury in 2003 he was highly frustrated with our sector's inability to measure the wider economic benefits from transport investment. When TfL's Shashi Verma suggested to him that the economic case for Crossrail was greater than 1.5 benefit to cost ratio suggested by the conventional time savings method, he was pushing on an open door. Quantifying the wider economic benefits, measured in gross value added, increased the ratio to nearer 2 to 1.

It seems obvious now that we should have been measuring the wider impact on jobs and productivity and asking the question: is this additional economic activity or is simply redistributed from other areas? When the Treasury appreciated that the economic uplift from Crossrail would add £2bn to tax receipts it became interested in the project.

Lewis Atter has continued this work at KPMG where he is a partner. He has been a key consultant for Greater Manchester, which has led to the path-breaking work on the impact transport investment can have on the economy and labour market in the conurbation. Lewis has continued this approach to investment appraisal in the work he has recently carried out for Network Rail.

This change of approach is crucial if we are to ensure that transport does not suffer from under-investment, as the Treasury will need to be convinced that it is as important to the economy as we say it is.

The unanswered question is how will it impact on the distribution of investments within the UK. On page 24, we give the opportunity for John Dickie to put the case for London and John Jarvis to speak for transport investment in the North of England. One thing that can be predicted with some certainty is that it should be good news for cities.

Following on page 26 and 27, the Freight Transport Association's Simon Chapman makes the case for freight investment, while for the Local Government Association Councillor Peter Box argues for removing the bureaucracy from bus funding.

Transport apprais

A new paper by Network Rail poses important questions a

Those parts of the transport sector that rely on public funds face their greatest challenge for a generation – making substantial cuts in current and capital spending while at the same time making the greatest possible contribution to a balanced private sector led recovery and sustainable growth in the longer term.

This challenge is about the efficiency with which public money is spent. Most obviously it means reducing the costs to the taxpayer of the things that the public sector buys. But this alone will not be enough; a complete response to the efficiency challenge also means buying the things that provide the best returns in terms of sustainable economic growth.

This means being clear about what we mean by an "economic return".

In the transport sector, the need to generate economic returns has generally been addressed using a "welfare-based" approach to appraisal. This puts a value on transport improvements based principally on what transport users would be prepared to pay for the benefits they enjoy. This "willingness to pay" is then compared to what taxpayers actually pay and the question is posed as to whether the welfare trade-off is good enough.

What the approach has really been about has been maximising the welfare returns from the budgets allocated to transport. It has been about allocating the tax proceeds of growth to achieve the best possible total impact on welfare.

It has long been recognised that is difficult to capture all the welfare impacts of transport projects, and efforts have been made to try to include missing ones: for example, those which result from the potential effect of transport on productivity.

Network Rail's recent paper *Prioritising investment to support our economy – a new approach to appraisal methodology* suggests that more radical change is required if transport is to rise to today's efficiency challenge. Instead of incremental efforts to close the gaps in the welfare approach, the paper suggests that today's challenges mean we should be starting with a different question.

Under the approach outlined by Network Rail, the principal appraisal question would no longer be how best to spend the tax dividends of growth to improve total welfare, but how best to generate those growth dividends in the first place.

Starting with this question not only means a very different approach to transport appraisal, it has implications for other publicly-funded sectors such as housing and regeneration. Indeed, it calls into question the very rationale for sector-based budgets.

The approach outlined by Network Rail would have the following key elements:

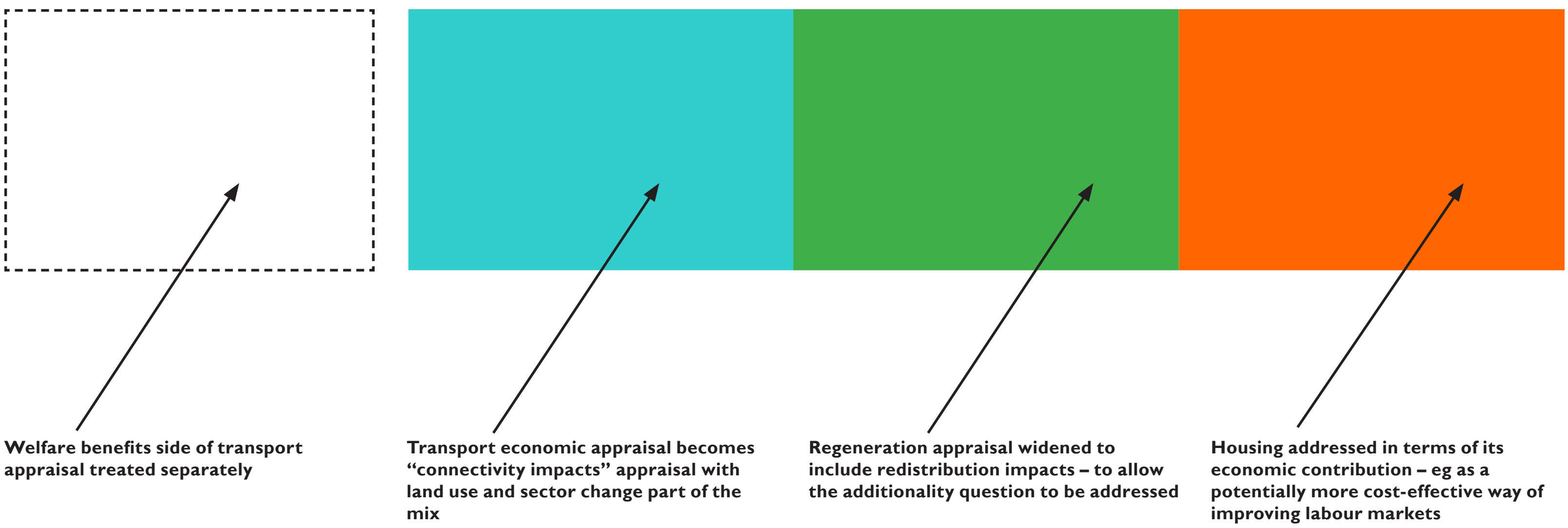
- The principal economic criterion for assessing and prioritising schemes would be their forecast impact on the real economy, measured in terms of GDP (driven by employment and productivity growth).
- These impacts would not be added to traditional welfare impacts but addressed separately.
- The same economic measures would be applied across transport, regeneration and housing, allowing schemes in these closely-related sectors to be compared to each other. This would allow combined programmes to be designed which maximise overall economic returns.
- The role of transport schemes in driving and facilitating land use change would become a core part of appraisal. This is necessary in order to capture the full economic impact of transport interventions, especially at the sub-national level, and essential if a level playing field is to be established with regeneration and housing which are all about delivering impacts through land use change.
- Explicit allowances would be made for the impact of schemes on worklessness and other outcomes which have a fiscal as well as a social dimension. Again this is critical if there is to be a level playing field between transport, regeneration and housing.

The change in approach is illustrated above. It would mean moving from a regime under which transport, regeneration and housing are appraised in different ways, to one where there was a common thread centred on the impact of different interventions on the real economy.

Critical to the proposal is a comprehensive approach to addressing

al: are we asking the right questions?

bout how to quantify the benefits of tranport schemes. **Lewis Atter** examines the implications



A common approach to economic impacts

the "real economy" impacts. This means appraisal would need to address explicitly the impact of transport on land use, business mix and location decisions. It would mean confronting head-on the impact of transport investment on job location as well as exposing the important differences between gross impacts at a local level and net impacts over wider geographical areas, once redistribution of economic activity has been taken into account.

Importantly, this would not be just about changes to the way transport schemes are appraised. It would also mean focusing more closely on the missing elements of regeneration appraisal (for example on the redistribution of economic activity) and addressing what the real economic contribution housing programmes can make (for example, as a cost-effective mechanism for improving labour market connectivity).

It has long been acknowledged that transport, regeneration and housing should be planned together. However, this has not proved easy to do in practice and rarely will potential programmes with different mixes of each have been compared in an effort to identify which mix provides the best economic returns. Given the absence of a common basis for appraisal this is hardly surprising.

Of course, this economic thread need not be the only basis for common decision-making. Other factors, most obviously the environment, could also have a key role to play. These impacts can be addressed either through shadow prices – for example, a shadow price for carbon based on the real economic costs of the most economically expensive measure necessary to meet a CO_2 target – or through explicit environmental budgets within which combined transport, housing and regeneration programmes must operate.

The approach raises important questions about who makes these economically-focused investment decisions, and what geographical area decision-makers are targeting when they seek to deliver best economic bang for buck. The linkage with the Government's localisation and balanced growth agendas is clear. Economic outcomes are place-based, and maximising what can be achieved means not only having the right kind of prioritisation tools and measurements, it also means drawing on increasingly place-based budgets.

The Network Rail paper also raises the question of practicalities. Even if the principles make sense, can it be done in practice?

The answer here is yes. The approach outlined in the Network Rail paper is an extension of a framework that KPMG has developed and applied in Greater Manchester to develop and prioritise the city region's £1.5bn transport fund (GMTF). In addition to drawing on multiple funding sources, which reduces the fund's reliance on DfT major scheme funding, the GMTF prioritises investment on the basis of the net impact on gross value-added (jobs and productivity within Greater Manchester) per £ of net whole life cost.

> **This approach calls into question the very rationale for sector-based budgets**

The fund's programme is multimodal, and although the GVA per £ of net cost was the lead metric, the prioritisation process also ensured that the programme as a whole achieved minimum environmental and social outcomes. Greater Manchester is currently bringing housing and regeneration appraisal into line with this approach as part of its localisation and LEP proposals to the Government, built around a single unified place-based budget.

The issue is therefore not one of practicalities, but the question we are seeking to answer. If that question is how best to use scarce resources across transport, regeneration and housing to deliver balanced and sustainable growth, then the time has come to take this kind of approach into the mainstream.

Lewis Atter leads KPMG's infrastructure strategy team.

London offers greatest gains in productivity

The spending review should recognise that large cities can play a central role in spurring economic growth – and nowhere more so than the capital, says **John Dickie**

The new government's Comprehensive Spending Review is only weeks away, but its impact will be felt for years. Decisions reached this month will affect public and private sector alike, and will do much to define the rate and sustainability of the UK's economic growth.

Business believes that as the Government starts to balance the books it is vital that its approach is based on supporting sustainable economic growth. For this, investment in infrastructure is crucial. And in terms of public sector priorities, investment in transport infrastructure is at the top of the list.

In June, London First launched a report with Transport Secretary Philip Hammond examining the contribution of transport investment to growth and the way in which schemes should be prioritised by the Government. It concluded that a clear framework is needed for judging which transport expenditure is most likely to yield the greatest contribution to sustainable economic growth. This framework needs consistently to capture a scheme's wider economic benefits and incorporate them into the scheme's benefit-cost ratio, so that the benefit can be assessed on a like-for-like basis.

There will of course be other objectives for transport policy beyond maximising growth. They include carbon reduction, which will be spurred by consistently pricing carbon across all investment decisions. But in the current fiscal climate, the highest priority should be given to transport investment most likely to sustain growth.

While ministers and officials talk the language of prioritisation, they face a barrage of competing political pressures from all quarters. Calm in this storm will be founded on a clear-headed, evidence-based search for growth.

That search should begin with the consensus that, while it may be difficult to calculate, transport can affect the rate of growth in GDP through its impact on the agglomeration of economic activity, as well as the generation of trade and foreign direct investment. Large cities can play a central role in driving the economic performance both of their wider regions and the smaller cities within them – providing there is sufficient infrastructure to connect them. This is most obviously true of London but is also the case for the other big city-regions across Britain.

> **'Agglomeration impacts are particularly pronounced in London and its hinterland'**

Quantifying the impacts of transport expenditure is complex. The Government has a sophisticated methodology for capturing the direct benefits to users, such as journey time savings. But it has yet to implement a consistent and comprehensive assessment of the wider economic benefit of many large-scale programmes. Doing so will require a proper assessment of agglomeration impacts – those increases in economic output created by transport improvements in dense urban areas, and the largest component of wider economic benefits. A dense concentration of economic activity, businesses and workers creates cost reductions, high levels of productivity, knowledge spillover and efficiency gains. Greater returns are generated from transport investment in areas that, all else being equal, have a high employment base, high employment density, more productive workers and more concentrated activity in productive sectors.

Although transport investment cannot in itself generate agglomerations, it can facilitate their expansion. Agglomeration impacts are particularly pronounced in London and its hinterland. Most industry groupings are a quarter to a third more productive in London when compared to the UK average for that industry. Inner London contributes 14% of the UK's GDP, and of this Westminster and the City of London alone contribute around 4%.

The other key to transport's contribution to the economy is its generation of gains from trade. While investment in London's airports does not call on the public purse, the Government should, as the Eddington study concluded, acknowledge that assessing the scale of these gains is "pivotal to informing good transport policy, particularly around ports and airports". Capacity constraints threaten London's success as a world city and fulcrum of the global economy.

Given the state of the public finances, it is unlikely that all schemes with a net positive value will proceed, let alone all those that are seen as socially desirable. As Eddington states: "Where resources are limited and there is a need for prioritisation it is logical to begin with identifying cost-effective transport interventions in areas which are expected to yield the greatest contributions to sustainable economic performance."

John Dickie is London First Director of Strategy and Policy.

Potential added value is just as great in the North

New research shows that estimates of gross value added should become a mainstream appraisal tool says **John Jarvis**

It is a myth that transport investments in the South-East produce bigger economic returns per pound spent than transport schemes in the North. The role of the Northern Way Transport Compact is to develop evidence on how transport supports economic growth and so identify strategic priorities for investment. Exploding this myth is therefore important for us.

The issue is the focus of London First's report *Greater Returns: Transport Priorities for Economic Growth* and came up when Philip Hammond was questioned by the Transport select committee in July. The London First report argues that the wider economic impacts (principally agglomeration benefits) of London schemes are a significantly larger proportion of conventional benefits than schemes elsewhere. Consequently it argues that if wider impacts are not considered, the case for transport investment in London will be understated.

The Northern Way was heartened by what the secretary of state had to say about the importance of rigorous analysis as well as the need to consider regional equity when prioritising transport investment. Recent work for the Northern Way Transport Compact has looked carefully at London First's conclusions.

Transport investments in large productive cities such as London have the potential to generate significant and worthwhile wider impacts. However, London First's work overstates the contribution of wider impacts to the economic case for transport investment in London. Its results are inconsistent with assessments that have been undertaken fully in line with the Department for Transport's wider impacts guidance.

Correcting London First's assessment shows that its conclusion cannot be substantiated and that transport investments in the North have equal, if not greater, potential to deliver wider impacts when compared with investments in London and the South-East.

The Northern Way has also been looking beyond the current methods for assessing the wider impacts of transport schemes. A number of recent studies have produced estimates of the additional gross value added resulting from transport investment. This work includes a Northern Way sponsored study of the trans-Pennine corridor by the Spatial Economic Research Centre at the London School of Economics, as well as a number of pieces of work by KPMG for the Greater Manchester authorities and for Greengauge 21. Collectively this work is breaking new ground. It suggests that the impact of major transport investments on GVA could be up to three times the size of the economic benefits assessed in conventional cost-benefit analysis including wider impacts.

To develop our understanding of these new techniques the Northern Way commissioned Professor Peter Mackie's team at the Institute for Transport Studies at Leeds University to review the work that has been undertaken to date.

ITS identifies some important attractions of the GVA approaches, particularly for the assessment of the sub-national impact of transport investment – in contrast to conventional cost-benefit analysis, which is naturally better suited to the assessment of benefits at the national level. This is because in the GVA approaches both the location and the area over which economic impacts are assessed are important influences on the estimates of GVA uplift. In conventional cost-benefit analysis, the value for money of a transport investment is a function of how it is used and how much it costs, not where it is located.

The GVA approach sheds light on how transport investment can support the Government's goal of rebalancing the economy through private sector-led growth away from the South-East.

The GVA approach introduces a competitive dimension into the economic strategies of functional economic areas. It offers the potential for city-regions to make investment choices across transport, housing and regeneration on the basis of how each supports the local economy and in doing so give transport a fairer crack of the whip. ITS also identifies that GVA work to date shows that the contribution of different transport modes may be very different. The GVA benefits of rail investments can be large and the evidence so far suggests that on a per traveller basis rail investment has a greater productivity impact than road investment.

We also asked ITS whether there are characteristics in the North, in comparison with London and the South-East, that would suggest a greater or lesser propensity for transport enhancements to generate GVA uplift per pound spent. Their answer was clear: there are no grounds to suggest that prioritising on the basis of GVA benefits per pound will favour the South-East over the North. Evidence points towards well-specified transport investments in the North having equal if not greater potential to deliver GVA benefits.

A key finding from ITS is that more work will need to be done before GVA approaches can become part of the transport appraisal mainstream. Estimating GVA impacts can become complementary to conventional DfT-defined cost-benefit appraisal but should not be seen as a substitute. Meanwhile, rigorous conventional cost-benefit analysis coupled with consideration of regional equity should hold no fears for the North.

John Jarvis is the Transport Director of the Northern Way, the public-private partnership currently funded by the three northern Regional Development Agencies.

Efficient transport links are not optional extras

Research for the Freight Transport Association has identified hotspots where investment is most urgent, says **Simon Chapman**

Simon Chapman: "Ports and air hubs must integrate seamlessly with inland road and rail"

With the logistics sector – not to mention the hundreds of thousands of businesses that rely on it – anxiously awaiting the results of the imminent spending review, we are all left wondering which transport projects will be spared the axe and what the consequences of wholesale cutbacks could mean for UK plc.

Making the right decisions will require from the Government an appreciation of how the transport network connects people to jobs and products to markets. Policymakers must employ joined-up thinking to appreciate that our international air and sea hubs, which function as the gateways for international trade, must be afforded the means to integrate seamlessly with our inland road and rail links.

More than this, the Government must be in no doubt that, quite apart from making our collective carbon reduction targets harder to attain, the corollary of severe cuts will be a slower economic recovery at best and, at worst, irreparable damage to the UK's ability to compete at an international level.

This is big picture stuff and, due to the lengthy lead times associated with transport schemes, demands a long-term strategy. Blinkers are not an option. However tempting it might be for a cash-strapped coalition to embrace retrenchment as one option – a real concern for the transport sector as possibly the least politically incendiary sector in which to introduce wholesale cutbacks – there is some cause for optimism.

Transport Secretary Philip Hammond has already voiced his support for "well-judged capital spending" and the pre-election manifestos of both Tories and Lib Dems seemed to value the importance of rail while not ruling out mechanisms by which to encourage private investment in our roads. Indeed, at an FTA fringe event at the Liberal Democrat conference, Norman Baker suggested that the transport sector was "certainly not going to hate everything" that will be revealed by the Government over the coming months.

> **Norman Baker suggested that the transport sector was "certainly not going to hate everything" that will be revealed by the Government over the coming months**

But with the fate of key road and rail projects hanging in the balance, policymakers must remind themselves that any short-term savings to be made by curtailing investment must be weighed against the longer-term costs of increased congestion and unreliability in the supply chain – a matter made more pressing by expected rises in traffic levels.

This is a crucial point. Our existing transport infrastructure is already under considerable strain from the increased travel demands of individuals and the exacting requirements of many supply chains. Even during the height of the recession, when traffic levels dropped, businesses were still experiencing only marginal improvements in the frequency and extent of delays.

This is why FTA commissioned MDS Transmodal, an independent strategic freight consultancy, to help establish those "hotspots" on the transport network where the strain has been most noticeable, and where investment is most justified (see box).

A prevailing theme of FTA's detailed submission to the comprehensive spending review was its support for the Eddington Transport Study, itself a pre-eminent report that reinforces the inescapable conclusion that the transport network is inextricably linked to sustained productivity and competitiveness. Indeed, the study found that by 2025 congestion could cost freight and other road users in England alone £25bn more per year than it did in 2003. If ever there was a case for well-judged capital spending, surely this is it.

The looming spending review has generated a palpable sense of urgency within the transport sector and, as you would rightly expect from the leading transport trade body, FTA has used every method at its disposal to state the case *for* investment. The case for targeted investment in new infrastructure capacity and the development of technology to get the best out of the existing network should it is hoped, by now, be self-evident.

If the cupboards are bare, the government shouldn't rule out other sources of finance; private money has worked well overall in the commercial development of the UK's deep sea port infrastructure, airports and, of course, in funding the railway network through Network Rail.

Having a transport network that is fit for purpose is not an optional extra for any country looking to have a successful economy. Every industry relies on transport, whether it's getting goods to market or simply ensuring there's paper for the photocopier. It shouldn't require a superhuman feat of understanding to figure out that without good transport links the UK will simply fail to achieve its true potential.

Simon Chapman is Chief Economist for the FTA

National transport corridors in greatest need of investment:

Roads

London to Kent Ports Corridor (M20)
South Coast Ports to the Midlands (A34, M40)
London Orbital Corridor (M25)
London to the West Midlands, North West and Scotland Corridor (M1, M6)
Trans-Pennine (M62, M180)
Haven Ports to Midlands (A14)

Rail

London to Kent Ports Corridor
South Coast Ports to the Midlands
London Orbital Corridor (cross London routes)
London to the West Midlands, North West and Scotland Corridor (West Coast Main Line)
London to the East Midlands, Yorkshire, North East and Scotland Corridor (East Coast Main Line)
London to Thames Gateway Ports Corridor

Cut bureaucracy, not bus funding

Combining the different subsidy streams for buses and putting them under local council control would better serve communities and allow considerable efficiency savings, says **Peter Box**

History tells us that when public spending is cut, capital intensive areas like transport are hit hardest. Speculation about what the spending review will propose indicate that this time will be no exception. With the department modelling cuts of up to 40%, the conversation in the transport sector has inevitably turned to why it is essential that support for major projects, buses, trains, roads, cycling, walking, should all be protected.

From a local point of view, thinking about transport separately from other services – housing, employment, health, education – makes no sense. And a siloed approach to individual transport modes is anathema to our collective pursuit of an integrated transport system. So why should we think about funding for transport in that way?

Making the savings the country needs while protecting frontline services and investing for future growth will require radical change to the way we plan and provide infrastructure and services. First, we need to trim the fat. That means moving away from the current over-centralised and fragmented model of funding. That would deliver savings by getting rid of the plethora of appraisal and bidding processes, administrative bureaucracy, control and inspection regimes that have grown up over the years.

Second, we need to make sure we are getting the very best value for money for the taxpayer from the funding that remains. That means targeting the funding to the needs of places and allowing funding to be joined up at the local level and spent on local priorities.

And third, we need to develop ways of raising funding and attracting new sources of investment.

A good example of where system change is needed is the way we invest in buses. Currently the taxpayer invests about £2.9bn per year in bus services. There is a good case for investment in buses; they provide access to jobs, education and services for many people who would not otherwise be able to afford to travel. They could also help reduce our carbon emissions and tackle the costs of congestion by getting people out of their cars and on to public transport.

But despite the fact that subsidy now accounts for 60% of industry turnover and has been increasing at 9% annually for the last decade, outside London central and local government have little control over the coverage, fares and standards of the services they support. Such increases in funding as we have seen over the last decade are very unlikely to continue in the current spending environment.

> **Our proposed reform would result in savings of £1.3bn over five years**

Subsidy is making a difference by keeping fares down and passenger numbers higher than they would be otherwise. Scaling back growth in subsidy without changing the system would undoubtedly have a catastrophic impact on customers who rely on bus services the most, and that impact would be beyond the ability of the Government or councils to bear.

Just as the current arrangements have not been able to target particular services or areas for improvement, so it will be impossible to target or predict which services are lost as the result of lower subsidy. Any attempt to control increases in spending on bus subsidy must go hand-in-hand with system change.

Bringing together the seven different streams of funding for buses, including the Bus Service Operators Grant, and putting them under the control of local authorities would allow the funding to be targeted more efficiently to provide better value for the taxpayer. Under such an arrangement, councils would be able to choose which services and routes were supported and could specify coverage in order to support local economic, social and environmental objectives.

Local authorities could better integrate school, hospital and social care transport with mainstream public transport and get more purchasing efficiencies. Operators could continue to be reimbursed for operating a uniform national concessionary fare scheme.

This model would allow the Government to limit the budget for bus subsidy at a level driven by policy decisions and considerations of affordability, rather than the current demand-driven model. By cash-limiting the budget at the rate of general inflation, our proposed reform would result in savings of £1.3bn compared with continuing at the current rate of spending growth over the five years from 2011/12.

Our simple model uses many of the powers and legislation currently available and would result in better targeted, more efficient system of subsidy which would meet local needs and priorities.

Councillor Peter Box CBE is Chair of the LG Group Economy and Transport Programme Board.

Scaling back subsidies would hit customers who most rely on bus services

A group of artists illustrated ideas from the conference on the wall

Sustainability starts here

Last month a series of conferences devised by HRH The Prince of Wales attempted to raise awareness of the benefits of a greener future. Day three focused on transport…

A sustainable future for transport is a concept most people would support. But what would it mean in practice?

That was the question an invited audience of influential business figures came together to address at Lancaster House last month.

Smarter Transport for a Sustainable Future was one of a two-week series of conferences under the auspices of HRH the Prince of Wales's Start initiative.

The events coincided with the Prince's nationwide tour on the Royal Train to promote sustainability and "The Garden Party to Make a Difference", a festival of sustainability in the gardens of Clarence House.

The transport conference provided plenty of food for thought for all who attended – or followed progress on the web – with a key aim being to reach a business, rather than a purely transport, audience.

"It's been said that capitalism and sustainability can't work hand in hand. We fundamentally disagree," said Stephen Leonard, UK and Ireland chief executive of IBM, which organised the series of conferences on behalf of Start.

However Mr Leonard added: "It's clear that appealing to people's conscience is not having the long-term impact we want. But creating enlightened self-interest can have a real tangible impact."

The next 10 years, he went on, has to be a decade of decision and action. A crucial question will be how to take advantage of the new technology that infuses today's world to provide better services to the man in the street.

For transport, saving 10 minutes of commuter time has an economic, societal and environmental impact. Delays cost the economy an estimated £7-8bn in lost production. Emissions to the environment can be reduced by shortening travel time.

Paraphrasing John F Kennedy he said: "The question is not what will organisations and businesses do for sustainability but what will sustainability do for businesses and organisations?"

Organisations that address sustainability will survive and prosper, he said. "Organisations that do not will not survive."

Transport Times publisher David Begg, chairing the day's proceedings, posed the questions: "Is the government right to be relaxed that transport is the biggest growing emitter of carbon dioxide and that it will be bailed out by reductions in emissions from other sectors? Should we be relying on technology or doing much more on the behaviour change front?"

In seeking to cut the deficit, should there be a bigger role for increasing green taxes rather than cutting expenditure he went on? And would spending cuts undermine the progress in shifting to lower carbon modes of transport that had been achieved over the last decade?

Keynote speeches from Transport Secretary Philip Hammond, London mayoral candidate Ken Livingstone and Prince Charles himself were interspersed with panel discussions (which were held on an unattributable basis).

Speaking after the day's events IBM global leader for intelligent transport systems Jamie Houghton said: "My reflection on the day is that it's about awareness, on two levels. I think it needs to happen at a business level – for the first time today I heard chief executives from the different modes of transport talking about what they're doing about sustainability.

"We've learned from the keynote speakers about communicating the importance of sustainability to the general public. As professionals in the transport industry we have an onus to make sure that people understand why sustainability is important and demand management is important, while we have to get a better mix between new infrastructure and optimising the use of the existing infrastructure."

Prince Charles: reconnect with nature

The aim of the Start conferences and associated events, said HRH the Prince of Wales in a special address, was "to see if we could emulate the sort of thing my great-great-great grandfather Prince Albert had done in the Great Exhibition in 1851 – to show people then what was going on and what opportunities there were at the very height of the Industrial Revolution.

"It seemed to me that we could do something along those lines which would help people to understand what possibilities, what opportunities there were to help us in this whole effort of creating a low carbon economy, of creating ever greater energy efficiency, and reconnecting ourselves with nature."

Since 2007, 2,600 companies have signed up to the Prince's Mayday Initiative and Network through which businesses collaborate on sustainability. The Start Project was conceived to complement this. In the Prince's words, "it seemed important to have a public-facing exercise this time."

He said: "Nature has had 3.5 billion years of R&D to produce the most remarkably efficient economy you could ever get. It doesn't waste anything, and produces endlessly

virtuous circles.

"We've been operating for the last 200 years on an emphasis which tries to do exactly the opposite – ignoring Nature and trying to do everything our way.

"Unless we rediscover the need to work in harmony with nature's economy, processes, ingenuity and waste-free capacity, we will continue to create ever-greater chaos and dysfunction."

He hailed biomimicry, in which machines and processes are deliberately designed to imitate natural processes, as an intriguing recent development. As an example, he acted an inventor who had designed a highly-efficient pump based on a study of how bathwater runs out of the plughole.

"There are endless stories like that, examining nature's processes in minute detail and producing really effective technology that mimics the way nature works."

Setting up Start had been a risk. "I'm told I take too many risks," the Prince said. "But I'm personally prepared to take any risk on behalf of our children and grandchildren. That's the point, that we have to take further risks in order to develop the kind of approach to the world around us, to the way we live, to ensure that what we leave behind is durable and not just an appalling poisoned chalice to those who come after us, which at the moment is what we're likely to do if we don't take those issues seriously."

Study of levels of atmospheric CO_2 in bubbles in ice cores taken from the Antarctic show a relatively stable oscillation until the 18th century, when it starts to rise exponentially between then and the present.

"The people who say there is no science in climate change – I don't know what planet they're living on. But the important thing is this is the only planet at the moment we know about that we can inhabit. It does seem pretty damn stupid to me to wreck it for the future."

He added: "Britain with her great history, her ingenuity… there are an awful lot of inventive and innovative people here who can contribute hugely to a new form of sustainability revolution. That is what I hope the Start project will achieve."

Hammond: growth must not be stifled

The coalition government was committed to the sustainability agenda "in everything it does", Transport Secretary Philip Hammond said. This included a commitment to a key role for high-speed rail, reform of the conventional rail industry to drive efficiency, a belief in technology such as electric vehicles and hybrids to decarbonise car travel, and local devolution for schemes from cycling initiatives to tram systems.

But sustainability meant much more than carbon reduction. Sustainable solutions had to be, first and foremost, environmentally sustainable – but they also had to be fiscally and economically sustainable, "affordable to the taxpayer in the long-term and compatible with an economic growth agenda".

"Cutting carbon – as important as it is – is relatively simple," he said. "Doing it in a way which supports economic growth, is fiscally sustainable and promotes social mobility and sustainable development is a far tougher challenge."

He said: "I reject the proposition that we face a stark choice in transport between supporting economic growth and supporting environmental objectives. Because neither growth which undermines our environmental agenda, nor environmental measures that stifle economic growth, will be sustainable in the medium term."

Embracing emerging technology such as renewable energy, electric vehicles, and sustainable biofuels will help resolve the apparent dilemma and allow progress towards carbon reduction targets. But behaviour change would also be needed, because other aspects of a sustainable solution – notably dealing with congestion – could not be solved by technology alone.

The government had already cancelled the third runway at Heathrow and made it clear that it would not support further runways at Stansted or Gatwick. This was because "firstly, we recognise that the local environmental impacts outweigh the potential benefits, and secondly, that until technology delivers very significant reductions in aviation CO_2 emissions, capacity expansion is simply incompatible with our goals on climate change."

Instead, the government was committing itself to a high-speed rail network which would offer "a real alternative to domestic air travel, so that… rail will become the preferred mode of travel for the overwhelming majority of passengers between London and Britain's great provincial cities."

Mr Hammond said he was aware of the need to balance the benefits of high-speed tail to the wider community with the local environmental impacts of the line: "Through careful mitigation measures, I am convinced that the most intrusive local impacts can be eliminated and a solution found which is balanced and fair."

The wider rail network "can also play a key role in delivering a reduced carbon footprint and greater mobility – but only if we can make it affordable." The UK's railways were more expensive to build, operate and ride on than any comparable system. "So another key task of my department will be to review and reform the way the rail industry functions – building on the work of Sir Roy McNulty's value-for-money study, to drive efficiency in rail investment and operations."

Nevertheless roads, which carry 84% of all passengers journeys, represent the most important network. "For intermediate journeys

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from page 29

involving complex routing across rural and suburban areas there is no realistic prospect of displacing the private car through persuasion rather than coercion – and I do not favour coercion."

The ability to travel point-to-point on an individually-tailored timetable – "one of the great quality of life gains of the 20th century" – would not have to be given up. "We are on the brink of a technological revolution that really will transform the way we see motoring in the 21st century", Mr Hammond said, allowing the benefits of the private car to be enjoyed by future generations without destroying the planet.

But it was "at local level that most can be done to change patterns of behaviour" while stimulating urban regeneration, economic growth and social integration. He cited light rail and tram schemes to link outlying and isolated estates with wealth-creating city centres, cycling initiatives to transform people's way of travelling around urban centres; "attractive, air-conditioned buses running on prioritised routes" with the appeal that metro systems have traditionally enjoyed, and smartcards to make multi-modal journeys seamless.

All these types of scheme, he said, when carefully thought out, demonstrate "extraordinarily high value for money. But they all have something else in common – they are essentially local. They cannot be mandated from Whitehall.

"That is why, as a key part of our local transport agenda, we want to devolve as much responsibility for local transport initiatives as possible to local level. By the end of this Parliament, I want to see far fewer civil servants sitting in my Department evaluating, monitoring and appraising transport schemes proposed by local authorities in Bradford, Birmingham or Bristol."

He concluded: "In transport, we are clear that we have a vital part to play in addressing the challenges of the fiscal deficit, declining economic competitiveness, climate change and social exclusion. Those challenges call for a genuinely sustainable policy response: a response that recognises the need for carbon reduction, fiscal discipline, economic growth, social justice and genuine localism.

"Not one, or some of them, but all of them together."

Livingstone: public transport is the key to a successful city

Ken Livingstone: "High speed rail will need Crossrail 3"

Ken Livingstone, former London mayor and Labour candidate for the next mayoral election in 2012, said that prior to his election in 2000, transport in London "had been run for 15 years by bureaucrats, by people with no long-term interest in transport, and the Treasury. Their attitude was that projects will go wrong; there will be delays and cost increases – let's not do it in the first place."

The Treasury cost-benefit analysis of the Victoria Line had, he said, underestimated the benefits by 100%.

By contrast Paris recently got plans to build an orbital rail line through planning permission in 14 weeks.

Mr Livingstone said he had initially been hostile to the idea of a London mayor on the basis that it put too much power in one person's hands. But it meant that "once I'd made a decision, there was no-one to overturn it."

The congestion charge was a case in point. It was "such an obvious decision but with the exception of Singapore everyone had backed off." The mayor of New York, he pointed out, cannot introduce a congestion charge because he cannot persuade the New York state assembly of its merits.

"If instead of a directly-elected mayor you had, say, a 25-member council you'd never have got there. They would have lost their nerve. I was sufficiently bloody-minded to take the gamble."

Crossrail had continually been discussed since 1967 and the East London Line extension since the end of World War II. The Treasury had been unimpressed at the prospect of Crossrail's journey times of 35 minutes between Heathrow and the City. Then "we showed that if the Treasury put £5bn into Crossrail it would get back at least twice as much in taxes, and they immediately started to come on board."

"We should now be planning Crossrail 2 and 3," he continued, adding "high speed rail shouldn't be built without Crossrail 3, a tunnel from Euston to Waterloo carrying 25 trains an hour."

A great world city with a big financial sector had to rely on public transport, he said: to make deals "you need to be in the same room to tell if people are lying".

He added: "In tackling climate change one of the biggest things will be making public transport more attractive. Crossrail's tunnels and stations will be twice as big as the existing underground, operating 24/7. At the moment, however you try to get from Canary Wharf to central London you don't know to within 20-25 minutes how long it will take. It's the sort of thing that makes firms try somewhere else at the end of their lease."

The long-term consequences of the congestion charge working, expansion of the bus system, and the admittedly slow progress in investing in rail, were that London had become the first city in the world to see a shift from car to public transport, and people were becoming increasingly likely to sign up to a car club rather than buy a new car.

"Public transport is the only way great world cities can function properly. Provided you get the energy source right, the environmental benefits are amazing. Cities that take that on board are going to be better to live in and therefore are going to be more successful."

A smarter approach to sustainable transport

Creating sustainable transport systems is a challenge not just in the UK but for governments worldwide. IBM's **Jamie Houghton** explains how advances in data analytics may hold the key

With legacy systems that creak at full capacity, public spending set to decline, and the challenge of effecting behavioural change throughout the UK population, it is not surprising that discussions about advancing UK transport sustainability are fraught with difficulty.

Conversation quickly cuts to "trade off". That's because sustainability not only addresses environmental issues, but also economic and social concerns. To many, social and environmental sustainability detracts from economic interests; they are seen as conflicts that restrict business, profit and growth. So the real question becomes: how to balance business growth and sustainability?

At IBM, we have a blueprint for this challenge. Our Smarter Planet agenda addresses many of the systemic problems that entwine business, society and the environment. Nowhere are these problems more apparent than the transport arena.

The Smarter Planet agenda recognises that intelligence is increasingly infused into the way the world's systems operate. Sensors are embedded throughout our transport infrastructure, in mobiles, smartcards and vehicles. Bringing real-time instrumentation to these systems and universal web access means they can more easily be connected and integrated.

Consider the kind of information generated by movement and interaction of all those "devices". What could transport operators and planners interested in sustainability do with it?

How about harness the data? Put it in the hands of the customer in a meaningful, personal way, enabling travellers to make highly informed choices of how to use the transport network more effectively and thus more sustainably. Allow operators to better match services to demand and monitor the sustainability of services being provided – for example, fuel use on buses and trains.

There are already excellent examples of smarter travel information as probe and network data is used to inform travellers and network operators. But to make a material impact on sustainability, a systematic implementation is required.

That's because sustainability is a collective issue that requires a greater willingness by public and private stakeholders to share transport data. Advances in service orientated architectures and open standards make it easier to collect and integrate such data. Improvements in algorithms, data visualisation and high performance computing allow data to be leveraged for the benefit of travellers and operators.

> **Data analytics can forecast transport trends and spot shifts in traveller patterns or behaviour, even before they occur**

Once interconnected, this system of systems can exploit the emerging science of data analytics to forecast transport trends and spot shifts in traveller patterns or behaviour, even before they occur. Predictive analytics can help transport authorities move from "sense and respond" mode to "predict and act". The potential is immense for network optimisation; improved demand management; measurement of environmental (and business) performance such as driver behaviour; and enhanced collaboration between transport authorities.

The use of analytics can also enable authorities to respond to today's "now" society. Customers want accurate, up-to-date information, based on good data, in real time and across an array of channels. They want dynamic information presented in accessible formats about cost, convenience, timing, congestion and increasingly, carbon. Another aspect of this vision is developing closer personalised relationships with customers.

Already there are authorities using analytics to improve the transport experience and help use resources in a more sustainable way. In Australia, for instance, one toll operator intends to provide participating drivers with personalised journey information by analysing trip history, and supplying real-time updates if there is a delay.

Of course, technology is not a cure-all when it comes to transport sustainability. Other items need to be addressed.

As an industry, we need to keep policymakers and transport authorities aware of emerging best practices and results. This awareness needs to extend to customers.

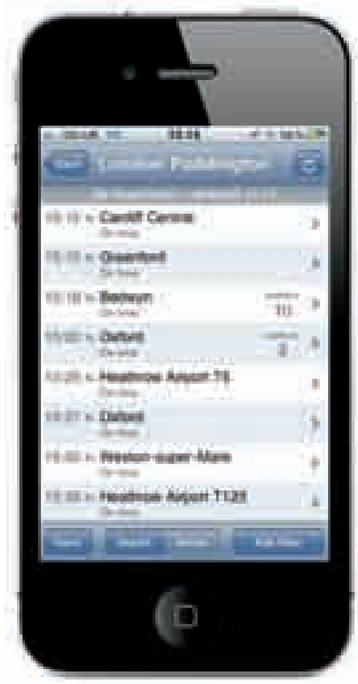
We also need to revisit our understanding of sustainability. It is not only about designing for the future, but also finding better ways to use legacy systems. Here, the 2012 Olympic Delivery Authority's teamwork is an excellent example, with a vision to create highly informed travellers during the Games.

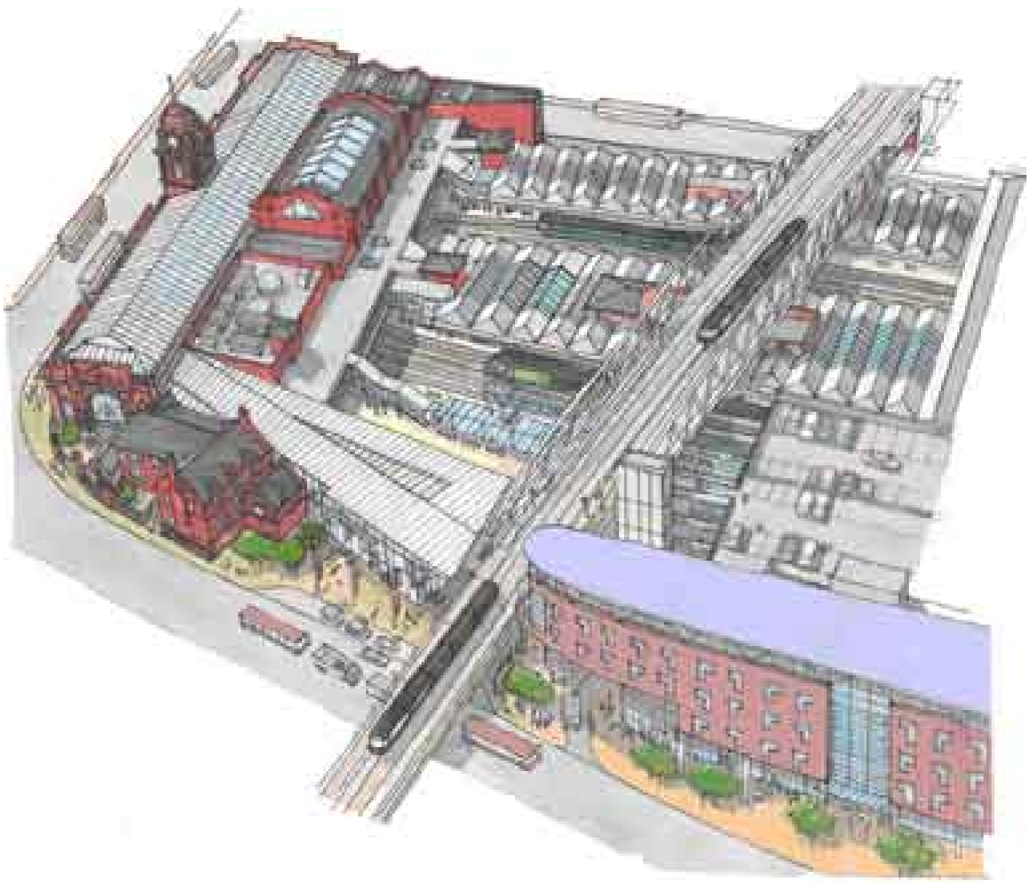
Finally, steps need to be taken to quantify and measure sustainability, an activity being championed by Go-Ahead. Common targets for carbon dioxide reduction need to be established and creative approaches about how to reach them agreed.

A sustainable transport future will be one where selective investments are made in new infrastructure, combined with more enhanced used of technology; where operators actively measure and benchmark sustainability as a key performance indicator; and where consumers are at the centre of the equation, as increasingly informed travellers.

In short, travellers and operators will unite in a common goal – to make smarter choices that use systems more efficiently, effectively and, in turn, sustainably.

Jamie Houghton: "Sustainability requires a greater willingness to share data"





Forget-the-

Nottingham's accolade as least car-dependent
work and long-term planning, says **Jane Urqu**

Milestones

2008 Policing of bus lanes begins

2004 NET Line One opens

2002 NCT introduces bendy buses

2000 Possibility of introducing a workplace parking levy is discussed

1999 NET Line One given go ahead

1986 Deregulation of the bus industry

1972 First Park and Ride opens

1966 Trolleybuses removed from service

1952 Last new trolleybus

1936 Last Victorian tram service closes

1927 First trolleybus comes into service

1906 Motorbuses first introduced

1901 First electric trams introduced

The Campaign for Better Transport has found that people in Nottingham depend on the car less than anywhere else in the country, and has ranked Nottingham top for public transport, walking and cycling. This is very good news, and we hope to build on this success.

Nottingham has won a number of awards for the quality of its transport, including Local Transport Authority of the Year, a green flag in the Comprehensive Area Assessment for excellence in public transport, and earlier this year I was delighted to accept an award for Outstanding Contribution to Local Transport at *TT*'s National Transport Awards.

Decades of work have been put into creating and sustaining a joined-up bus service, popular tram system, and a good standard of cycling and pedestrian facilities as part of an integrated transport network.

As a result of this work, local public transport use has grown by 8% in recent years, the highest rate of any of the UK's core cities (the eight largest cities in England outside London).

More people use buses in Nottingham than in any other city outside London, and we are lucky enough to have two award-winning bus companies, NCT and Trent Barton, operating in and around the city, which have won National Bus Operator of the Year several times.

The city council works with both companies to agree on the best bus routes and ensure a good cooperative relationship, with day rider tickets available for both bus companies and the tram. Our popular Link Bus services also provide 5.5 million passenger journeys a year.

We have been improving our cycle network for some time, with 30 miles of paths now available on traffic-free routes alongside rivers and canals. We have also pedestrianised key areas in the city centre to make them more welcoming, accessible and attractive.

Our tram network NET Line One, which opened in 2004, continues to operate at a high standard, with customer surveys consistently showing a satisfaction rating of more than 90%.

NET phase two, the planned extensions to the tram system, will create two new lines, one to Beeston via Chilwell, and the other to Clifton via Wilford, as part of one unified network integrated with bus and rail services. NET phase two will serve two of the biggest three employers

-motor city

> Improving transport sometimes means making difficult decisions

Clockwise from top left: redevelopment of the railway station as the Nottingham Hub has been given the go-ahead; pioneering initiatives include the tram system, CCTV policing of bus lanes and park and ride (since 1972)

city in England is the result of decades of
uhart

in Greater Nottingham, the Queens Medical Centre and the University of Nottingham, and provide access to around 1270 workplaces in the city, to which around 55,000 employees commute.

NET Phase Two will add a further 2,400 park and ride parking spaces, giving us more than 5,000 spaces altogether.

The redevelopment of Nottingham railway station will see it and the surrounding area modernised and refurbished, with improved connections between trains, cycles, car parking, taxis, pedestrians and trams, and NET phase two fully integrated with the station.

Planned tram, rail, bus improvements and anti-congestion measures are together predicted to reduce traffic congestion growth from 15% to 8% and will reduce the number of car journeys in Greater Nottingham by 2.5 million a year.

Much of our success can be attributed to foresight and long term planning. Nottingham's first park and ride opened in 1972, and the idea of having a tram network for Nottingham and the surrounding area was first suggested in 1973. The city has a public transport history stretching back to the old -style Victorian trams of the early 1900s, and the trolleybuses running from the 1920s to the 1960s.

The bus industry was deregulated in the 1980s, and many of the old municipal bus companies of the 1960s and 1970s disappeared or merged together. Nottingham City Council retained the majority of shares in the Nottingham City Transport (NCT) bus company. Although NCT is run on a commercial basis, this gives us a greater say in how transport can be delivered.

Making urban areas more accessible and appealing for pedestrians can also make a big difference: for example, the multi-million pound Western Gateway and Connecting Eastside projects to improve pedestrian and cycle links from the west and east into the city centre, and to reduce road accidents, also promote development and regeneration in these areas.

Improving transport sometimes means making difficult decisions. Discussions about the possibility of introducing a workplace parking levy, a form of congestion charging, began in 2000, with charging planned to begin in 2012, when we expect that the economic situation will have improved.

Without WPL, funding for NET Phase Two, the redevelopment of the railway station and the Link Bus services would not be possible. The levy will help us tackle congestion and better meet the challenges of the future, and will also promote the use of more environmentally friendly forms of transport.

Public transport infrastructure is vital both for the economy and social inclusion, and will become increasingly so when meeting the challenges of the future. I believe that, in the years ahead, Nottingham will be in a good position to capitalise on its success.

Jane Urquhart is portfolio holder for transport at Nottingham City Council

Optimist

Invensys Rail has been stressing how transport investment ca chief executive James Drummond tells **David Fowler**, it also

Invensys Rail is one of the elite few companies that supply signalling technology to rail projects worldwide. In the current economic climate, with rail investment subject to cuts, that also makes it vulnerable.

So the company and its chief executive and president James Drummond have in recent times been active in trying to put across the argument that investment in rail infrastructure brings considerable economic benefits, commissioning independent research to back this up. The company has also been forging inroads into emerging markets, most recently through a tie-up with China.

Meanwhile in the UK, recent contract wins include the signalling contract for the core section of Thameslink project, which is planned to carry 24 trains per hour. *TT* met James Drummond with the result of the Comprehensive Spending Review just weeks away, and began by asking how pessimistic or otherwise he was about the coming CSR announcement and its possible effect on the UK market.

"We're certainly extremely interested in the outcome of the spending review," he replies. "And with everybody else, we share some concerns about where the cuts will actually be made.

"I have some small level of optimism in that I think there is a good understanding of the importance of certain key projects such as SSR – the upgrade of the sub-surface Underground lines – which I think is probably the single most important piece of transport infrastructure for the UK because it's so vital to London's economy. The consequences for London of it not being done would be quite severe – the existing infrastructure is struggling with the current level of capacity; it's in places 1920s vintage and is certainly going to be unable to cope with even modest projections for growth over the next decade. It's essential for London's economy and by extension the UK's that that work goes ahead."

He would rate it even more important than Thameslink and Crossrail?

"I would, but I think that in itself is a false choice. Thameslink and Crossrail are also very important to London's infrasatructure and future economic well-being. But if forced I would put SSR at the top of that priority list."

He adds: "I've been encouraged that there is a general recognition of the importance of SSR and Crossrail, and more broadly speaking the importance of technology to the efficiency of the rail infrastructure. There's ample evidence to show that it is in fact signalling technology that gives the largest increase in capacity and performance for the smallest incremental investment.

"I think that understanding is growing, so that provides, I guess, some small measure of comfort in a broader concern over the outcome of the spending review. But having said all that, the spending review is going to contain some quite significant cuts in most government departments and transport is unlikely to be an exception."

He is confident, then, that the message about the value for money of transport investment to the wider economy is being taken on board by the Government?

"I think that it is far better understood now than it was, say, five years ago. It's also been very helpful to have things such as Sir Roy McNulty's value for money study running at this particular time – because it's provided a extremely useful forum for all the participants in the industry to put forward not just their views but good data and analysis to provide an input towards an informed decision.

'We share some concerns about where the cuts will actually be made'

"Also George Osborne has had reviews of his own across many industries, including transport, and actively sought the input of leaders of the transport industry as to their views on how best transport could meet the requirements of the new and more constrained environment and what its priorities ought to be. There has been an opportunity to put the case for transport generally and for the importance of technology to transport infrastructure specifically, and I do think that message is now much better understood."

Looking ahead, how hopeful is he that high speed rail is going to take off in the UK?

"There is clearly agreement across the parties and at government level that the country would benefit from

Invensys Rail supplies train control and signalling systems to markets worldwide

ic signals

an help drive the recovery in Western economies. But, as
o expects strong growth in emerging markets

a high speed line network. I'm encouraged by that – I think that it is the right decision for the UK. It will provide not only significant additional capacity but a different type of capacity that I think will significantly enhance the UK transport infrastructure – it provides obvious benefits associated with the environmental gains and freeing capacity at airports that would otherwise be used for short-haul routes. So I am encouraged that there appears to be broad agreement that the UK should invest in them – the question is when?"

Mr Drummond's own answer to that is "as soon as possible", but he recognises "there are significant constraints on the possible – such as money, availability of funds to invest in it, and also the planning processes in the UK which are typically extensive."

Looking at markets outside the UK, has the fiscal stimulus in the US made a difference to prospects there?

"The fiscal stimulus is being directed at high speed rail programmes to establish those programmes in reality and attract other sources of funding. So we are very interested in the high speed line opportunities. There is also legislation requiring all railroads in the US to implement Positive Train Control [the US equivalent of automatic train protection]." Mr Drummond says Invensys Rail is "keen to participate in the upgrade of the US railway".

Work is holding up in the company's main continental European market, Spain, where it recently won new contracts for signalling on high speed lines. The Spanish government is making cuts in spending amounting to €2.6bn (£2.3bn) but so far, "most has fallen on road and conventional rail. So far the government has preserved the programme and investment in high speed lines. There has been a very limited effect on our business in Spain so far." To maintain spending the Spanish government is putting considerable efforts into putting together public-private partnerships to keep the funding flowing.

However, Mr Drummond recognises that the outlook for Europe is at best low single digit growth in the short term. Other markets such as China, India and Brazil are experiencing much higher rates of growth. "We've spent the last 2-3 years developing products applicable to those markets and a capable delivery organisation," he says. The company has substantial orders in Brazil and Venezuela, and "our operating company in India has started to win a steady flow of orders. "We're well positioned to supply new mass transit schemes in Indian cities," he says. "Our order book is now 50% in new markets, compared with 4-5 years ago when it was between 5 and 10%."

Brazil is upgrading existing lines and planning new high speed and main lines. India is planning new mass transit schemes, high speed lines and a dedicated freight line. It is also, like many other countries, looking at adopting the European ERTMS signalling system. "ERTMS is attractive because it's well established and defined," says Mr Drummond. "The customer is able to rely on six or so established companies – the systems are interoperable so they are not reliant on a single supplier."

However perhaps the most significant development in emerging markets came last month, when Invensys Rail struck a partnership deal with China's CSR Corporation (which coincidentally shares initials with the spending review). The companies will bid together on mass transit projects within China as well as on a limited number of projects outside China, in India, the Middle East and South-East Asia. Invensys will supply signalling systems while SCR provides rolling stock. Analysts estimate the deal could bring in £250m worth of signalling orders annually.

"It's important for a number of reasons," says Mr Drummond. "There will be significant investment in mass transit systems throughout China for the next decade at least. CSR is one of the pre-eminent rolling stock suppliers in China and the world and we have complementary strengths.

"Working on projects outside China will allow us to understand how to compete outside China and improve our and CSR's competitiveness. And should the new age of austerity limit growth in our core markets it will offset the reduction in growth in those markets."

Whether the partnership will expand beyond its initial remit will depend how things progress. Invensys does not currently have a product which meets the requirements of the Chinese equivalent of the European Train Control System, but bidding on main line rail projects outside China is a possible option. However, as Mr Drummond says, "there is plenty of opportunity within mass transit to prove we can work effectively together."

Returning to the importance of signalling systems to the UK, Mr Drummond says: "Vince Cable spoke recently about the importance of promoting technology in the UK as a prime driver of growth. Rail is a global industry, with strong drivers: population growth, economic growth via infrastructure development, and environmental concerns. Invensys is the only UK company that has that technology.

"In answer to Vince Cable's request to look for technology that can stimulate other investment, it's a great example of a UK company that has a leading position in a globally important industry – and that's important for the UK generally."

Thameslink

Invensys Rail won the £32m Thameslink core area resignalling contract in July. However, although the plan is for 24 trains hourly to run between Loughborough Junction, south of London Bridge, and Kentish Town, north of King's Cross – which will require automatic train operation – reducing the capacity has been a frequent suggestion for cutting costs on the project.

James Drummond says: "24 trains per hour is certainly possible. I've heard the suggestions that this could be reduced – I don't know if it's being taken seriously.

"My own view is that it is typical to under-forecast capacity requirements rather than over-forecast. In one of the world's largest and busiest cities it would be hard to over-estimate the capacity requirement for Thameslink. Anything less than 24tph might be regretted in the not too distant future."

You can't beat the bus…

Beyond austerity, a smarter and greener future beckons for the bus industry: that was the verdict from this month's *Transport Times* conference. **David Fowler** reports

Previous page: Greener Journeys, the industry campaign to get more people on buses, uses the theme that the bus is "purpose-built" for certain journeys
This page: Oxford's Queen Street before and after an agreement to rationalise services

A great deal of uncertainty surrounds the bus industry: not just the question of the future of subsidy payments or concessionary fares, but as ever how to reverse the decline in passenger numbers. Delegates and speakers at this month's Transport Times conference, *All Change for the Bus Industry?*, continued the long-standing debate over whether franchising or partnership was the way forward. But strong views also emerged to support smart tickets, buses' green credentials, and more park and ride schemes as the key factor in attracting more passengers. Overall, there was a good deal of optimism about the future role of the bus.

Transport minister Norman Baker opened proceedings and many welcomed what they felt was a conciliatory tone – as well as a strong hint that bus service operators grant would not be abolished.

Remarking that the run-up to the comprehensive spending review had left a "vacuum for rumours", and that some of them had affected perceptions of the coalition's attitude to the bus industry, he reminded the audience that he had said of BSOG in the House of Commons "…the benefits of that grant are clear," though specific detail "about what we can spend and where we can spend it" would have to wait till the spending review was unveiled.

"Buses are an essential public service," he continued. The DfT was "bus-friendly and bus-focused", but he was also a realist about the need for change. "The status quo is not an option," he said. The debt crisis meant "the industry must recognise things are going to have to change."

"The Government wants to see more people on buses, but we are determined that taxpayers and farepayers get the best deal."

> **'Years of Whitehall diktat will be consigned to the dustbin'**

He quoted three facts: fares had risen by 24% above inflation between 1997 and 2009; bus patronage outside London fell by 2% in the same period; and public subsidy increased year on year (without taking into account concessionary fares).

Attracting new passengers was not just about new using newer buses. It required driver training, better information, and making sure buses turned up at the scheduled time." There had been a huge improvement in the customer focus of train operating companies which the government wanted to see spread to buses to help drive up patronage.

The new government had announced £15m investment in low-carbon buses through a second round of the green bus fund, which when it closed in early October was oversubscribed. This is expected to put 150 more hybrid buses on the road.

We could also look forward to the end of a decade of centralism. "Years of Whitehall diktat will be consigned to the dustbin," he promised. Under the new localism it would be important for local authorities and bus companies to work in partnership.

"Better bus services cannot be delivered through a one size fits all approach. They must be individually tailored."

Services must also offer value for money, he said. "So I welcome the Competition Commission inquiry into the bus market. It is best placed to consider whether the current regulatory framework is the right one."

Door to door journeys and integration had to be improved. Better information including real-time displays or simply siting bus stops near to station entrances, were examples. But the key was smart tickets. The DfT has provided £20m to the nine biggest urban areas outside London to facilitate this. He envisaged a single card which could be used on buses across the UK, topped up at shops, online and by phone. "This is challenging and won't be achieved overnight," he said, "but officials are working on achieving it as soon as we practically can."

"Uncertainty and change can be threatening," he concluded, "but I think that bus companies and local authorities are able to meet that challenge."

In good shape

Sir Moir Lockhead, chief executive of FirstGroup, said the bus industry in the current climate had the opportunity to contribute to economic well-being and to help tackle climate change. He said the DfT appeared preoccupied with "big rail schemes… I don't object to Crossrail, Thameslink and so on but we must make sure the most efficient means of carrying people isn't forgotten."

He welcomed the minister's suggestion that BSOG would not be axed, but said the uncertainty needed to be removed as soon as possible. "The industry is in very good shape," he said, adding that "partnerships are the way forward." The key issue, in his view, was to address end-to-end journey times, which were disrupted by congestion.

Through Greener Journeys the industry was offering its contribution to tackling climate change. "I haven't seen any time in recent years where the industry has come together in such a way," he said. "Greener Journeys is a measure of how the industry has changed. We are part of the solution to climate

change. I think we're the answer to the Government's problems. For the first time they recognise this."

Brian Souter, chief executive of Stagecoach, welcomed the minister's more conciliatory tone. He reminded the audience of the "four Ps" which he said local authorities could use to help make bus services more efficient: parking (charges), planning, park and ride and (bus) priority. "I hope we continue to get that." But he had doubts about the new localism: "When you give local authorities money and say do what you like with it, we usually get nothing."

He also backed partnerships as the way forward. "Ideas, not ideology, will be what works. We must get away from the argument about regulation."

But he was certain "the credit crunch will disappear in the next 12-24 months." Balance sheets, he said, are strengthening.

"The key to opening the door to the future," said Mr Souter, "are the three Vs". These were (passenger) volume: "if we can get better passenger volumes that solves most of our problems"; value – there had been a big shift among passengers to the use of value products such as Megarider during the recession and these would remain important in the next few years; and vision. "My vision is of buses propelled by locally produced biofuel or methane from landfill sites," he said. "People will travel with us more if we are perceived as low-carbon."

John Henkel, director of passenger services with Metro, West Yorkshire's passenger transport executive, said that despite the skill, expertise and knowledge of the bus companies, and good partnerships, passenger numbers in the Metro area had declined from 234m in 1993 (when Badgerline bought Yorkshire Rider) to a projected 184m next year. He put this down to "too much short-term decision-making; customers think fares are too high, customer service is not good, services change too often, they are not integrated and there is an image problem."

The future would be no different: cost pressures would increase, fuel would become more expensive. With inelastic demand, fare increases would not bring in more revenue, so networks would be cut. Local authorities' ability to support services would decline. There was no clear strategy for addressing the bus's image problem, and customer care was often lacking.

Reducing costs by reducing services would perpetuate a cycle of decline. Metro projected passenger numbers would decline to 130 million by 2021 on a "business as usual" scenario.

The network of the future, said Mr Henkel, must operate fewer bus miles with higher loadings; it needed to reduce boarding times (by reducing cash fares paid on the bus); and bus networks needed to be more easily understandable, with a hierarchy of express, core and feeder or local routes, with a high level of integration making interchanges easy. He cited Gothenburg as an example of good practice.

The debate over partnership or regulation was the wrong question. What was needed was integration. "We are not convinced competition can deliver integration," he said. "Franchising can combine the best of the public and private sectors, with a focus on growth and customer satisfaction."

A franchise framework could provide stability, integration and marketability, with clearly-defined objectives and incentive-based contracts focused on customers, Metro believed.

In a panel discussion following, Sir Moir said the decline in passenger numbers had nothing to do with deregulation or the market. It was because the ability to get into the city had declined because journey times were slower due to lack of road space. If local authorities wanted to go back to franchising they must buy back the revenue streams associated with the services from the private operators. Integration would have "a marginal effect on passenger growth".

The problem, he said, was "you can't guarantee end-to-end journey times."

Brian Souter said all the objectives Mr Henkel had listed could be achieved through a quality partnership. He added that "park and ride is the best way to destigmatise bus services. Once you get car drivers on the bus you change its whole image."

Mr Henkel asked: "Why is it that you can have a bus ticket into Leeds but you can't board a particular bus because it's the wrong operator, and you have to wait 10 minutes for the next one?" He said that after improving performance other issues came to the fore. "Getting buses running on time is only the start of the journey, not the end."

"Getting buses running on time is only the start of the journey, not the end"

Rising costs

TAS Partnership director Chris Cheek told delegates that in the 1920s a Royal Commission had concluded that on-street competition between bus companies was wasteful. This idea had been overturned with deregulation in 1985. Since then, he said, the market was perceived by many to have failed, with fares continuing to rise, and accusations that bus companies were making excessive profits.

He said there were several areas of misconception. One was a preoccupation with competition. It was important to understand that in the transport market decisions were not made on the basis of price or quality, but time.

Minimising the "generalised cost" of public transport would maximise modal shift from the car and bring about time savings to all public transport users, generate economic benefits, improve accessibility, and maximise public benefits.

Regarding fare increases, 62% of industry costs are labour costs and 19% are fuel costs. Wages almost always rise by more than inflation, so bus industry costs do as well.

As far as productivity is concerned, the cost of providing a given level of service is determined by speed. If bus speeds decline, more buses, drivers, and fitters are needed.

After an initial rise in the decade after 1985, the number of kilometres run per crew member has fallen back to around its original level. And as patronage has fallen, the cost per passenger has risen. Since 1955 the average load has fallen from 27 to 10 passengers.

Moreover, a certain level of profit is needed to replace assets, to repay debt and interest, and to reward shareholders and investors. TAS concluded current profit levels are "well below" sustainable levels.

Changing the regulatory regime would not stop rising costs or increasing congestion, or avoid the need to make a profit. Franchising would, he argued, transfer too much revenue risk to the public sector, would be inflexible, and would "cost public money that we don't have". Quality partnerships, in his view, were the way forward.

Getting qualified

Addressing the question "is there a way for local government to protect supported bus services from the spending cuts?" Steer Davies Gleave principal consultant Tony Walmsley concluded that there was little councils could do acting alone that was likely to be effective. Again, he argued that more could be done through partnership, but that these were "hard work", which is why there are so few.

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Recent Transport Acts had provided several tools to take more advantage of partnership. Some of these were under-used, notably "qualifying agreements". These allow two operators to reach an agreement on services or co-ordinating timetables, for example, and then ask the local authority to certify the agreement (to protect it from falling foul of competition law).

Oxfordshire deputy director of environment & economy, Steve Howell, described how the city had used such an agreement. Cars are excluded from Oxford city centre, but some streets are still choked with buses. Four main routes into the city have buses from two or more operators running at 4-5 minute intervals. A qualifying agreement has been used on these routes, to allow the introduction of an agreed joint timetable and smartcard joint ticketing, with zonal fares within a "smart zone" covering most of the Oxford urban area. Oxfordshire says this makes it the first multi-operator integrated smartcard ticketing system.

Two operators have smartcards in operation, high frequencies have been maintained, and capacity improved through the use of new double deckers – 46 of which will be hybrids partly paid for by the government's green bus initiative. Though the scheme has still to be fully implemented, improvements are already discernible in the city centre. "It's working incredibly well," said Mr Howell.

David Sidebottom, Passenger Focus bus passenger director, described recent research the watchdog had conducted in Milton Keynes with non bus users, to try to identify barriers to using buses. The results will be published next month. As part of the research focus groups had been asked to try making bus journeys. It discovered that people found it difficult to identify routes, find the right stop and work out when the bus left. The industry needs to make better use of its "shop window", Mr Sidebottom concluded.

Going green

Greener Journeys campaign director Claire Haigh described the organisation's recently launched marketing campaign, which is being piloted prior to a planned national launch next year. This backs up its aim of transferring a billion journeys from car to bus by 2015.

The campaign is deliberately not anti-car, she said. People take the car without thinking, she said: "The enemy is habit, not the car: it's about disengaging autopilot." The theme is that "the bus is purpose-built for certain journeys", she said, and the campaign makes the point through ads that ask, for example, "heading to the pub?", or "night on the town?", with the tag line "sometimes you can't beat the bus". Another ad makes the environmental point: "make your car more environmentally friendly: leave it on the drive occasionally…"

Coupled with this, bus operators are to give away a million bus tickets, and there will be an interactive game on the Greener Journeys website in which players are invited to test their driving skills in a race against the bus.

"This is the age of the bus," she concluded: "It's low cost, low carbon and has no infrastructure costs: it's a good solution."

The enemy is habit, not the car: it's about disengaging autopilot

Permanent secretary Devereux moves to Work and Pensions

Robert Devereux, permanent secretary at the Department for Transport, is to move to the Department for Work and Pensions in succession to Sir Leigh Lewis who will be retiring at the end of December. Mr Devereux will take up his post at the start of January 2011.

Robert Devereux began his civil service career in 1979, with a degree in mathematics from St Johns College, Oxford. He began working with the Overseas Development Administration and during his career has held posts in HM Treasury, the Department for Social Security and the Department for Work and Pensions, as well as a secondment to Guinness Brewing Worldwide.

He joined the Department for Transport in 2003 and took over as permanent secretary in May 2007. He became head of the policy profession for the vivil service in April 2009.

Commenting on his appointment, Mr Devereux said:

"I am delighted to be returning to DWP, to lead the department at such an important time for welfare and pension reform. I have learned a great deal from my experience and enjoyed working with excellent colleagues at the Department for Transport over the last eight years, and look forward to the challenges ahead."

The process for appointing a successor at Transport will start immediately, with an external competition. An appointment is expected to be made "well before Christmas".

David Higgins has been appointed Network Rail's new chief executive, succeeding Iain Coucher, who is stepping down at the end of October.

Mr Higgins, who is currently chief executive of the Olympic Delivery Authority (ODA), will take up his new position on 1 February 2011. Mr Higgins is currently a non-executive director of Network Rail, a role he

Robert Devereux

Andrew Potter

Andrew Cleaves

people

will continue until he starts as chief executive.

Before joining the ODA, Mr Higgins was chief executive of property and construction company Lend Lease from 1995 to 2002 before joining English Partnerships as chief executive (2003-05).

Network Rail's chairman Rick Haythornthwaite said "We recruited David to the board earlier this year because of his track record in leading large organisations, delivering demanding projects and managing a complex range of commercial interests and wider stakeholder sensitivities. David emerged as the outstanding candidate to lead Network Rail into a challenging new era, following an extensive search process."

Mr Higgins leaves the ODA with the Olympic Park on time and within budget.

He said: "My priority is to bring Network Rail and the industry closer so that together we can continue to improve service, efficiency and safety and add much needed capacity to a railway network that is nearly full."

In the period between Mr Coucher's departure and Mr Higgins's start date, Network Rail director for asset management **Peter Henderson** will be acting chief executive.

Parsons Brinckerhoff has appointed **Andrew Potter** to lead its growing transport planning team in London. Mr Potter, a chartered engineer and transport planner, will join PB as an associate at the beginning of November, where he will be reunited with a number of colleagues with whom he worked on the Heathrow Surface Access Model in the late 1980s.

He joins PB from Mouchel where he was a divisional director for eight years, located at Chelmsford.

PB has also named **Graeme Power-Hosking** as aviation market director for its Europe, Middle East and Northern Africa regions. This follows the appointment of Roddy Boggus as the firm's aviation market leader for its Americas operations, and strengthens PB's commitment to the aviation market globally. Mr Power-Hosking will be based in Abu Dhabi, United Arab Emirates.

In his new position, Mr Power-Hosking will have responsibility for expanding PB's aviation practice by bringing the firm's global capabilities to airport owners and developers developing major programmes.

Mr Power-Hosking has a 17-year career in the development and design of airports as an architect, master planner and designer.

Dr. Paul Toyne has joined WSP Group as global head of sustainability. He will lead the continuing development of WSP's sustainability strategy across all 35 countries in which the group operates. He joins WSP from Bovis Lend Lease where he was head of sustainability for the UK and the architect of the company's award-winning sustainability programme.

Dr Toyne's career has spanned roles as diverse as ecologist, conservationist and campaigner with the World Wildlife Fund. He has worked extensively with governments, the private sector and non-governmental groups on the development of policy on issues connected with the built environment, sustainable communities and the environment.

He was appointed a London Sustainable Development Commissioner by the Mayor of London in January 2010 and he currently chairs several influential construction industry groups including the Strategic Forum for Construction sub-group on carbon.

National Express has appointed **Andrew Cleaves** managing director of its UK coach business.

Mr Cleaves joins National Express from Tube Lines, where he was chief executive, following a 10-year career in a number of senior commercial roles with the organisation responsible for the maintenance and upgrade of the Jubilee, Northern and Piccadilly lines. Prior to Tube Lines, Andrew worked in sales and marketing for Otis and as a consultant to PA Consulting.


EURO BUS EXPO 2010
2nd - 4th November
The NEC Birmingham is the place to be this November to see the latest product and in-service support developments from Volvo Bus.
Whether you are a bus operator wanting to find out about the latest developments in hybrid technology, or from the coach sector keen to see the new Volvo line up - including the new Volvo 13 litre engine, then a trip to Stand D30 in Hall 5 will be well worth a visit.
With a host of “soft product” innovations, as well as ready access to a wide range of Used Vehicles through Volvo’s new Coach & Bus Sales Centre at nearby Coventry, there is really no excuse for not getting together at Euro Bus Expo 2010.
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