

Written evidence submitted by the Urban Transport Group (STO0047)

1. Introduction

1.1. The Urban Transport Group (UTG) is the UK's network of city region transport authorities. UTG represents the seven largest city region strategic transport bodies in England, which, between them, serve over twenty million people in Greater Manchester (Transport for Greater Manchester), London (Transport for London), the Liverpool City Region (Merseytravel), Tyne and Wear (Nexus), the Sheffield City Region (South Yorkshire Mayoral Combined Authority), the West Midlands (Transport for West Midlands) and West Yorkshire (West Yorkshire Combined Authority).

1.2. Our wider associate membership includes Cambridgeshire and Peterborough Combined Authority, Nottingham City Council, Strathclyde Partnership for Transport, Tees Valley Combined Authority, West of England Combined Authority, Translink (Northern Ireland) and Transport for Wales.

1.3. We are a thought leader in urban and local transport policy, bringing together stakeholders across the transport sector to advocate for policies that deliver affordable, trusted, green transport networks that enrich and connect people and places.

2. Response

Defining objectives

2. What is your understanding of the Government's strategic transport objectives? Are they the right ones, and if not, how should they be changed?

2.1. We believe that clear, ambitious, deliverable and cross-modal strategic transport objectives are crucial in delivering transport solutions which connect communities, unlock economic, health, societal benefits and deliver on environmental ambitions.

2.2. Given its importance, the lack of an overarching strategy to guide transport policy and development is concerning. In particular, an overarching strategic direction would assist Local Transport Authorities in framing and shaping their own local strategies.

. Mode or issue specific strategies, whilst offering laudable and positive ambitions, lack joined-up thinking, which would support transport authorities and stakeholders in delivering on wider objectives.

2.3. For example, UTG research conducted in July 2022 highlights the lack of cross modal and cross departmental integration as one of the key barriers in decarbonising the UK's transport. The Government has made decarbonising vehicle fleets a policy priority and made significant funding available for this task. However, the report finds that there is a need for greater cohesion of national policy with less fragmentation between the approach taken to strategic planning and funding of different transport modes (cars, buses, taxis, new mobility and so on) as well as to the provision of supporting green energy infrastructure¹.

2.4. UTG has urged consecutive governments to adopt a more joined-up, cross-modal and long-term approach to transport strategy delivery and funding. Local transport in particular has suffered from the proliferation of short-term, competition-based funding pots that are costly to prepare for (with no guarantee of success) and hinder long-term strategic transport planning and the ability to build up a steady pipeline of schemes, as well as put extreme pressure on local authority capacity.

2.5. In consultation with stakeholders and with close involvement of city regions, the Department for Transport must develop a sector-wide vision-led, transport strategy, which would bring together fragmented modal strategies and ensure different workstreams complement and strengthen one another. Such a strategy must clearly set out goals in line with climate change, levelling up and economic growth ambitions, and feature immediate and longer-term actions, with clear and sustainable funding arrangements, necessary legislative reforms and transparent accountability measures.

2.6. Such a strategy should also seek to make connections with other policy areas and across government departments, moving beyond a siloed approach and recognising how those areas influence economic, social and environmental benefits delivered by sustainable and integrated transport systems. These could include approaches to land use planning, housing development and the provision of energy infrastructure, for example. All of these have the potential to support or, without careful planning, undermine strategic transport goals.

2.7. A long-term strategy, underpinned by sustainable capital and revenue funding commitments and backed across government departments would give confidence to transport authorities as they develop their own plans in line with local circumstances and aspirations to deliver on shared ambitions to decarbonise transport, achieve modal shift, increase connectivity and deliver economic and social benefits for the people and places they serve.

3. How well has the Government articulated the outcomes and objectives it seeks from the country's transport network? How could this be improved, and what impact would better-defined objectives have on transport planning and investment?

3.1. As referred to above, the current fragmented approach constrains long term planning and investment and presents day-to-day challenges to transport authorities in the delivery and enhancement of services. Overall outcomes and objectives are overly mode, programme and fund specific, failing to present a comprehensive and integrated approach to transport planning and funding.

3.2. There are ambitious and explicit goals featured in mode specific strategies, such as the Gear Change² vision for cycling and walking and corresponding investment strategies, and the National Bus Strategy³. We welcome and share the ambition of these strategies,

however, as noted in our previous comments to the Select Committee⁴ and the Department for Transport, even such mode specific strategies fail to commit to immediate legislative reforms; clearly set out long term funding plans; or embed transparent accountability and delivery tracking measures.

3.3. The DfT Outcome Delivery Plan: 2021 to 2022 aimed to lay out sector wide objectives, such as improved connectivity, enhanced user experience and transport decarbonisation. Whilst such ambitions are welcome, these goals lack detailed short and longer term actions to underpin them, and the overall objectives have failed to be consistently featured across other DfT and cross-governmental strategies and delivery plans.

3.4. Fragmented and unfunded strategies are significantly impeding the ability of transport authorities, operators and stakeholders to work together effectively on ambitious long-term plans and investment to deliver on the shared strategic goals. This is particularly the case in the face of the challenges brought about by the pandemic and the significant accelerated action that needs to deliver on national environmental commitments.⁵

3.5. Given transport's direct and indirect impact on a significant number of environmental, economic⁶ and social challenges facing the country, it is imperative that an integrated strategy encompasses and clearly defines its role and corresponding actions across government departments. This would support the government in delivering on its overarching national ambitions, including levelling up, climate change and economic growth.⁷

3.6. Such an integrated approach would also support moving away from competition and single pot funding allocations, which are failing to deliver value for money, placing unnecessary cost on transport authorities and significantly impacting their ability to develop and deliver long-term projects and strategies locally.

3.7. To fully empower local transport authorities to lead on delivering shared objectives there is a need for stable long-term capital and revenue funding for transport authorities and a move away from competitive bidding processes – along the lines of the long-term funding packages that are in place for national rail and road. Fully empowered transport authorities could then leverage additional funding locally to support and complement contributions from central government as part of overarching place-based funding models designed to achieve common goals in a way that reflects local circumstances and priorities.

3.8. Joined up and better-defined action driven objectives would also help resolve tensions, which are often present in the day-to-day development and delivery of transport projects and services. An example of this are the conflicting demands on street space, with pressure from various parts of government to deliver everything from bus priority to cycle lanes, from climate resilience to deterring terrorist attacks and from accommodating e-scooters to walkable neighbourhoods. Achieving or reconciling these requirements can be very challenging for transport authorities. DfT, for example, is pursuing bus and active travel strategies (with associated infrastructure and street space requirements) largely in isolation from each other. Conflicting demands are made more difficult to manage not only by the limited available road space, but also the severe constraints on local government resources. These issues are explored in more detail in our 'Future Streets: Challenges and opportunities' report⁸.

3.9. Due to the lack of such integration across transport and place making strategies and programme objectives, transport authorities and operators are also often exposed to legislative contradictions, which impact on the delivery of major objectives such as decarbonisation. For example, the objectives featured in national road programme and the current outdated approach to Bus Services Operators Grant(which is principally linked to bus fuel consumption) fit poorly with the environmental policy objectives of decarbonising bus travel.⁹

3.10. Strategic transport objectives, therefore, must align with wider environmental, economic, social, health and place making objectives, whilst also delivering clearly set out short and long term goals, which would boost confidence, simplify current planning and funding arrangements and resolve mode and programme specific tensions.

Using objectives to guide investment

4. How well does the appraisal and decision-making process for new transport investment meet the Government's strategic transport objectives? How should this be improved?

4.1. Overall, the current approach to transport project appraisal fails to consider the cumulative impact of schemes and is predominately concerned with the economic case over strategic fit, integrated network delivery and broader, economic, social and environmental objectives. Our comments on the impacts of such an approach are outlined in the UTG submission to the DfT consultation on Transport appraisal and modelling strategy: informing future investment decisions.

4.2. As further explored in our submission¹⁰ to the Transport Select Committee in 2021 as part of their inquiry into the appraisal and delivery of major transport infrastructure projects, overreliance on Benefit Cost Ratios (BCRs) over local impacts and broader strategic goals are of significant concern to LTAs.

4.3. Whilst BCRs can provide a helpful measure of the advantages of some schemes, they are not set up to capture all the wider benefits of a scheme and its significance locally against strategic objectives. A BCR of below one can be seen as unacceptable by central government, even where a scheme can deliver large benefits locally. This issue was clearly evident in the allocation of the Emergency Active Travel Funding. The Active Mode Appraisal Toolkit (designed to assess BCRs in line with updated Green Book guidance) concluded that there was no benefit in building a proposed cycle lane in Barnsley due to the low baseline of cycling and uplift (generating a negative BCR). However, the scheme would have been very significant and valuable locally. The same scheme in Cambridge would have provided a very high BCR due to the higher baseline levels of cycling locally.

4.4. Whilst we welcome the changes announced in late 2020 to the Green Book, namely reduced emphasis on benefit cost ratios (BCRs), there is little evidence to suggest that these changes have delivered a change in practice and culture. Whilst some more weight is given to local strategic cases alongside BCRs, in practice this is still in its infancy and cost/benefit approach still seems to be the driving factor behind appraisal decisions at the DfT.

4.5. Government spending also continues to favour national transport over local; capital over revenue; and competitions over long-term certainty. The continued emphasis on spending on national roads infrastructure is, in particular, at odds with the Government's stated aim to make public transport and active travel the first choice for daily activity for all who can take it.¹¹

4.6. The Welsh Government, by contrast, has taken the opportunity to reconsider its priorities in light of its commitment to reduce Wales' carbon footprint and car journeys and get more people walking, cycling and using public transport. It commissioned an independent expert group to assess more than 50 road building projects to determine whether they were the right response to transport problems or if an alternative solution might better serve the Government's wider goals. In future, the Welsh Government will only consider road investment for projects that reduce carbon emissions and support modal shift; improve safety; help with adaptation to the impacts of climate change; or provide connections to economic activity in a way that maximises use of public transport, walking and cycling..¹²

4.7. Transport has not been a protected department in recent spending rounds and has seen significant reductions in day-to-day spending which remain below pre-austerity levels, failing to recognise investment in transport as a key driver for economic growth. Within the DfT budget local transport has also not been prioritised. Existing commitments to national road and rail dominate the DfT budget.

4.8. Our 2015 report 'Revenue-Capital mismatch' analysed the impact of revenue funding cuts on the capacity of Local Transport Authorities to deliver capital schemes and found that: 'revenue budget cuts and the ad hoc nature of major capital funds made it difficult to develop a long-term strategic approach to the delivery of capital funding. This impacts on the value that can be gained from funding as authorities are constantly responding to the pots of funding available rather than setting out local priorities to deliver on'.¹³

4.9. Lack of a holistic approach to appraisal and its impact is also the result of a lack of clear overarching strategic base. A siloed focus on programme and mode specific objectives is evident throughout the appraisal and decision-making process. This continues to make the task of improving services and delivering integrated networks ever more complex and expensive. Rather than support LTAs in delivering integrated long-term strategies locally, the current approach is actively hindering this task. A less siloed approach would support Local Transport Authorities to take a more 'vision-led' approach to transport planning.

4.10. Appraisal processes must directly align with an integrated transport strategy and broader placemaking objectives. An increased focus on the local and strategic case will enable authorities to justify implementing schemes that are locally important for growth, jobs, decarbonisation, health and placemaking and fit within a local strategy.

Mode specific investment strategies

5. How should wider economic, environmental and social impacts be appraised and valued, including when the gains will largely be felt in policy areas other than transport?

5.1. As referred to above, transport and the strategic and investment decisions made centrally and locally have a direct and indirect impact on environmental, economic, health and social challenges facing local communities and the wider country.

5.2. Transport schemes ought to be appraised against clear cross-modal and cross-departmental objectives on environment, economic growth and social impact. Similarly, these wider objectives must not be looked at in isolation – a scheme which could deliver economic growth should also be appraised against its impact and fit with environmental, health and societal objectives. A move beyond mode and programme specific goals and siloed funding pots would provide the necessary basis for achieving wider impacts.

5.3. In November 2019 UTG launched an in-depth report on making the connections on climate change at the city region level between transport, energy and the decarbonisation and adaptation of the built environment.

5.4. Such an approach was shown to not only reduce carbon emissions and improve climate resilience, but also realise multiple wider economic, health, social and environmental benefits. These include lower energy, operating and maintenance costs; job creation; greener, healthier and more prosperous cities; improved air quality, and higher satisfaction among employees and customers of transport systems.¹⁴

5.5. A further UTG report on Equitable Future Mobility offers a framework for more equitable decision making in the delivery of future mobility, contributing to a rebalancing of the scales of social exclusion whilst addressing social, environmental and economic sustainability goals. The framework is based on Four A's model: availability, accessibility, affordability and acceptability, and provides a useful approach to integrating these challenges into central and local appraisal and delivery plans.¹⁵

5.6. As referenced earlier in our response, alongside reforms in appraisal processes, it is also crucial that the reforms are made to the current balance and approach to transport funding to ensure that change can be reflected in delivery of projects and strategies locally.

5.7. It is clear that a continuation of a siloed approach in addressing such major challenges as climate change, economic growth and social inclusion will not work.

6. How can longer-term certainty in planning be achieved in order to promote greater private sector investment from a range of sources?

6.1. A holistic long term transport strategy, which also addresses current legislative gaps would boost confidence for LTAs, operators and stakeholders, de-risking a longer-term approach.

6.2. Whilst clarity in central government objectives would provide the basis for this, a strategy alone will not provide the confidence necessary to accelerate progress on delivery and attract private investment. Objectives need to be backed by long-term central investment, which would unlock the capacity for LTAs to deliver and attract private investment.

6.3. Long-term funding certainty allows a considered approach to ranking and delivering priorities; it means that business and investors in city regions can plan ahead with more confidence; it allows expertise and capability in the planning and delivery of schemes to be built up and retained; and it reduces inefficiencies.

6.4. We therefore welcome the moves to consolidated funding on a longer timescale that the City Region Sustainable Transport Settlement represents in principle. We also welcome the commitment in the Transport Decarbonisation Plan to move towards further consolidation linked to Local Transport Plans and transport decarbonisation priorities. However, this is with the caveat that the sum of the consolidated funds needs to be more (not less) than the sum of the parts and commensurate with the scale of funding needs for local transport.

Improving coordination and alignment

7. How effectively is strategic transport planning and investment coordinated across and between transport modes, including with reference to achieving modal shift?

7.1. As explored in responses to previous questions, the current mode-based approach is failing to deliver a coordinated approach and is effectively embedding 'competition' between the modes both at a national and local level when it comes to prioritising investment. The current fragmentation also leads to slow progress and lack of integration when designing and delivering transport projects.

7.2. Transport is the largest source of UK greenhouse gas emissions and a sector of the economy where progress on reducing emissions has been too slow given the scale of the challenge. Modal shift and net zero cannot be achieved without moving beyond the current siloed approach.

7.3. The Government has said as part of its decarbonisation plan that, 'Public transport and active travel will be the natural first choice for our daily activities for all who can take it.'¹² This ambition is welcome, but in practice it is at odds with the disproportionate amounts of infrastructure spending on roads. A shift in funding emphasis towards significant, long-term capital and revenue support for public transport and active travel would better support decarbonisation goals.

7.4. The government should fully equip transport authorities outside of London with the powers they need to accelerate the modal shift and decarbonise transport. Transport authorities outside London are already responsible for formulating overarching transport policies and investment programmes, as well as providing different forms of revenue support to encourage modal shift. However, unlike Transport for London (TfL), they do not have the opportunity to oversee the provision of a fully integrated public transport network. The newly negotiated trailblazer devolution deals are a welcome step towards this, however, significant gaps in powers and funding capacity remain.

8. How could planning for transport infrastructure across government and coordination of policy (for example, with policy on energy, digital or planning) be made more coherent and streamlined?

8.1. There is a strong and clear case for transport planning to be integrated into spatial planning, housing and health policies and wider placemaking strategies, addressing conflicting agendas and competition for funding between departments and sectors.

8.2. Decarbonisation again provides a useful example for this. If the Government's decarbonisation targets and the scale of the challenge is to be met, we need to move away from tackling carbon emissions sector-by-sector and instead begin to make the connections between the transport, energy and built environment sectors. When we join these dots, our report 'Making the connections on climate' shows how we can speed up progress towards decarbonisation goals. For example, homes can be heated using waste heat from underground railways, tree canopies can be planted around pollution hotspots, railways could be entirely powered by renewable energy and bus and railway station roofs can become solar energy generators.

8.3. As has been argued by LTAs and stakeholders for a considerable time now, there also needs to be greater integration between the spatial planning system and transport objectives.

8.4. There is currently a lack of focus and recognition of the role of transport in planning and the need to better join up transport and land use planning in order to ensure sustainable transport is prioritised in development. Active and public transport can help to deliver many public policy goals, including improving public health, increasing access to opportunities and supporting inclusive growth, as well as delivering environmental benefits. Our 2019 report 'The place to be' examines 'transit-oriented development' - the principle of putting public transport front and centre in new residential and commercial developments, with the aim of maximising access by public transport, encouraging walking and cycling, and minimising the need to own and use private cars. The report suggests that transit-oriented development has the potential to meet housing need without undermining the green belt or creating more traffic congestion and sprawl. It also examines other areas where it can deliver wide-ranging benefits, such as to local economies; air quality and carbon emissions; social inclusion, employment and skills; health; and public transport patronage.¹⁶

8.5. Sustainable transport needs to be a priority for the planning process in all areas. New developments need to support walking and cycling for short journeys and public transport use for longer journeys with high quality, high frequency services.¹⁷

8.6. The effective integration of planning and transport is fundamental to creating places that meet the requirements of environmental, economic, and social sustainability while also effectively delivering the homes needed.

9. How effectively is strategic transport planning and investment coordinated between national, devolved, regional and local government and other public bodies? Do the current division and distribution of powers help or hinder?

9.1. Currently separate strategic planning processes are undertaken for national road, national rail and local transport networks, and hence the corresponding investment decisions, are not coordinated and are undermining effective cooperation between governments, local transport authorities, public bodies and stakeholders under a shared strategy.

9.2. The Welsh government has taken a different approach and published its transport strategy, Llwyr Newydd, in March 2021.¹⁸ The strategy aims to encourage people out of cars, with a target of 45% of journeys across Wales to be by sustainable means by 2040. The strategy is supported by the 2022–27 National Transport Delivery plan, outlining the programmes, projects, and policies to deliver Llwyr Newydd in the coming years.¹⁹ To account for the new strategy, the Welsh government also updated its transport appraisal guidance (WelTAG). It will be crucial for central government to take these developments into account when it comes to national strategy and planning, working closely to support the delivery of shared ambitions.

9.3. A holistic long term transport strategy and its objectives can only be delivered with the right arrangements, powers and funding in place.

9.4. The current funding mechanisms for local transport are complex, opaque and not necessarily the best way of furthering national or regional policy goals. A reform of funding mechanisms could be instrumental in supporting the continued delivery of local public transport in a clear, directed and meaningful way, allowing more decisions to be made locally via a flexible funding mechanism. We explore this in our comprehensive 2023 report on Urban Public Transport Funding - Options for Reform.²⁰

9.5. As covered in responses to previous questions, for too long funding for investment in transport has been short term and reliant on a shifting mix of ad-hoc competition and capital funding. This is an inefficient way of funding local transport, with millions wasted in putting failed bids together, as well as creating peaks and troughs in spending which make projects more expensive. It also stifles coherent long-term approaches to tackling long-term problems, soaks up organisational capacity, and is in stark contrast to the long-term funding deals that have been in place for some time for national roads and rail²²

9.6. As well as being properly funded, city region transport authorities need to be fully empowered to do their job. Devolution works in delivering better outcomes with decisions made by those who are closest to the communities served and are directly accountable to those communities. For example, devolution of powers over the local rail networks in Merseyside and in London has led to higher levels of passenger satisfaction, more investment and better services. There is the potential to widen and deepen the benefits that rail devolution brings to more passengers and more places. With greater control over local rail services comes the opportunity to improve integration with bus and tram, and with local housing and economic plans.²¹

9.7. Meanwhile, on bus, more could be done to further streamline and de-risk existing bus legislation to support more transport authorities to continue and enhance their existing arrangements with operators, or to franchise networks of bus services. There is also the opportunity to devolve bus funding to locally accountable strategic transport authorities who can ensure that it is used to support and protect the priorities of the people and places they serve and meet government objectives to grow the market through more and better services.

9.8. Above all, integration and delivery can be supported by greater devolution of control of transport networks to locally accountable transport authorities. The recent Levelling Up White Paper includes as one of its missions that, by 2030 'local public transport connectivity across the country will be significantly closer to the standards of London, with improved services, simpler fares and integrated ticketing'.²² London standards have been achieved because powers over transport have been devolved, enabling the shaping of a joined-up network.

9.9. It is encouraging therefore, that in the White Paper and the recent trailblazer devolution deals, the Government commits to exploring the devolution of more transport powers and responsibilities in England. This is the right approach as Mayors, leaders and local transport authorities are far better placed to make the right calls locally. However, the test will be in whether words are translated into action. Outside of London, the city regions currently have less control over their public transport networks than just about any other comparable city regions in Western Europe. This alongside lack of cohesive approach to transport planning and funding is stifling progress and delivery.

9.10. Delivering these reforms alongside a long-term holistic transport strategy would enable transport authorities, operators and stakeholders to focus on delivering affordable, trusted, green transport networks that enrich and connect people and places.

9.11. UTG would be happy to further support the committee in its inquiry, including by providing further detail on the points raised above or providing oral evidence in further stages of the enquiry.

August 2023

Endnotes

¹ Decarbonising urban vehicles - Challenges and opportunities for city region public authorities (UTG and Connected Places Catapult July 2022)

² DfT, Gear Change, Gear change: a bold vision for cycling and walking (publishing.service.gov.uk)

³ DfT, Bus back better, Bus Back Better (publishing.service.gov.uk)

⁴ UTG, National Bus Strategy - one year on – TSC consultation response (March 2022)

⁵ UTG, Review of Net Zero – evidence submission (October 2022)

⁶ UTG, Transport Works for growth and jobs (February 2014)

⁷ UTG, Submission to Spring Budget 2023 (February 2023)

⁸ UTG, Future Streets: Challenges and Opportunities (September 2022)

⁹ UTG, Review of Net Zero – evidence submission (October 2022)

¹⁰ UTG, Major transport infrastructure projects: appraisal and delivery – consultation response (January 2021)

¹¹ [Decarbonising Transport – A Better, Greener Britain \(publishing.service.gov.uk\)](https://publishing.service.gov.uk)

¹² <https://www.gov.wales/sites/default/files/publications/2023-02/the-future-road-investment-wales.pdf>

¹³ UTG, Revenue vs Capital Mismatch (March 2015)

¹⁴ Making the connections on climate: How city regions can join the dots between transport, energy and the built environment (UTG, November 2019)

¹⁵ Equitable Future Mobility: Ensuring a just transition to net zero transport (UTG, March 2022)

¹⁶ UTG, The place to be: How transit oriented development can support good growth in the city regions (January 2019)

¹⁷ UTG, Consultation response 'Planning for the future' (October 2020)

¹⁸ [Llwybr Newydd: the Wales transport strategy 2021 | GOV.WALES](https://www.gov.wales/sites/default/files/publications/2021-02/lwybr-newydd-the-wales-transport-strategy-2021.pdf)

¹⁹ [National transport delivery plan 2022 to 2027 | GOV.WALES](https://www.gov.wales/sites/default/files/publications/2022-02/national-transport-delivery-plan-2022-to-2027.pdf)

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- ²⁰ UTG and Steer, Urban Public Transport Funding - Options for Reform (February 2023)
- ²¹ UTG, Evidence submission 'Public Transport in towns and cities' (April 2022)
- ²² DLUCH, Levelling Up the United Kingdom (February 2022)