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| Consultation response |
| National Infrastructure Assessment |
| National Infrastructure Commission |
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# Introduction

* 1. The Urban Transport Group brings together the public sector transport authorities for the largest city regions (West Yorkshire Combined Authority, Transport for London, Transport for Greater Manchester, Transport for West Midlands, Nexus, Merseytravel, South Yorkshire PTE). We also have the following associate members: Tees Valley Combined Authority, Strathclyde Partnership for Transport, West of England Combined Authority, Nottingham city council. However this response is on behalf of our full members.
  2. We have only responded to two of the questions as many of the questions are not concerned with transport, focus on between-city rather than within-city issues, are issues where we have not yet formed a collective view, or are issues where other bodies (such as LGA) are better placed to respond.

# Response

## Question nine. What strategic plans for transport, housing and the urban environment are needed? How can they be developed to reflect the specific needs of different city regions?

* 1. City regions are moving towards more coordinated approaches to the strategic planning of transport, land use and economic development through Combined Authorities (CAs), and in some places Mayoral CAs. The shape of those plans is best determined locally in line with local circumstances, aspirations and the outcomes of local democratic processes
  2. There is a need to ensure that land holdings by government agencies (including those of Network Rail) are not seen primarily as a generator of short term financial benefit to HMT. Instead the returns that can be made from land sales need to be balanced with ensuring developments that are appropriate to their location and which are coordinated with wider local regeneration and housing plans as well as with safeguarding potential future use for transport purposes. Local rather than national bodies are best placed to strike the appropriate balance.
  3. As our recent ['Rail Devolution Works'](http://www.urbantransportgroup.org/resources/types/reports/rail-devolution-works) report showed, devolving rail powers to the appropriate sub-national authority has been highly successful in improving services for passengers, in realising higher levels of investment and in linking rail development with wider housing and regeneration strategies. By deepening and widening the benefits of rail devolution the linkages between housing, economic development and transport planning would be strengthened.
  4. Historically city expansion has been underpinned by expanded rail services and we believe this will continue to be the case given the need for urban densification around transit hubs and when all cities aspire to reduce city centre road traffic in order to create greener and more attractive places. This means we need to maintain high levels of investment in urban rail services through additional stations, higher frequencies and new routes. New technologies for steel wheel services are now available which can make this task easier, including tram-trains and trains which can take power from a variety of sources (including overhead wires or on board batteries or diesel). An example of the scope for expansion includes extension of Tyne and Wear Metro services to currently unserved major towns in the sub-region using existing or former rail infrastructure.
  5. However, at present these aspirations will be difficult to achieve through existing Network Rail and national rail processes given high industry costs and recent tendencies towards schemes drifting out in terms of cost over-runs and timescales. To make progress we need to ensure there are ambitious but realistic long term national rail investment plans based on more efficient Network Rail processes and delivery as well as exploring the potential for devolved authorities to deliver more schemes themselves as well as having the freedoms and flexibilities to find more ways of raising more funding locally.
  6. There is also scope for transport authorities, which have the aspiration to do so, to take a greater role on stations, up to and including taking on the running and ownership of stations. Transport authorities have a strong track record of developing and operating high quality transport interchanges and stations (such as bus stations and light rail stations) as well as in investing in new or improved stations (such as better station buildings, re-staffing of stations and new stations). Meanwhile the quality of many local national rail stations in the city regions is poor as they are not seen as a priority by Network Rail or by franchisees (whose tenure over rail services is relatively short given the long term nature of station assets). Local rail stations in the city regions can also often feel disconnected from the wider local public transport network and from the communities they serve. By taking a greater role on local rail stations transport authorities are far better placed to ensure that they are fully plugged into the wider local public transport network as well as into local economies, housing priorities and community use.

## Question ten. What sort of funding arrangements are needed for city transport and how far should they be focused on the areas with the greatest pressures from growth?

* 1. 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 the inefficiencies inherent in oscillating between 'feast or famine' for contractors and suppliers.
  2. The greater certainty that has been brought to rail and road spending through moving to longer term funding and investment programmes is welcome, as is the creation of the National Infrastructure Commission. However, funding for local transport capital spending has proved less stable and more subject to year-on-year fluctuation as well as block grants increasingly being replaced by competition funding. At the same time revenue spending on local transport has seen deep cuts with the prospect of more to come.
  3. Revenue spending is needed in particular for bus services (which are less capital dependent than rail). The bus is the main form of public transport. It gives people access to employment and opportunity and is a relatively low cost and rapid way to enhance transport provision, for example to serve new development areas. Revenue support is also important for local rail services. It also pays for the planners and staff that develop and implement capital projects.
  4. The proliferation of competition funding creates additional pressures on declining resource funding in terms of uncertainty around when such funding competitions will emerge, what they will cover, and whether or not a local authority's bid will be successful. Bidding for grant funding has a non-negligible cost (which we estimate could amount to up to 1.8% of total costs for a £5 million scheme), and creates unpredictable peaks and troughs in workloads which are difficult to resource and plan for efficiently.
  5. In terms of income generation, Local Transport Authorities already have clear powers in areas like road user charging and parking, however there are other potential new funding streams that should be examined such as the potential for capturing more of the land value uplift that investment in new transport projects can bring.
  6. Current methods of transport appraisal (largely based on journey time savings but with a growing recognition of the contribution towards agglomeration economies in urban areas) are not always able to capture the full benefits of transport investment. This is a particular concern in relation to large infrastructure schemes, such as Crossrail 2 or significant investment in Trans-Pennine rail links, which can have a transformational effect on housing and labour markets, as well as on the behaviour of households and firms. At the other end of the spectrum current appraisal methods also struggle to reflect the benefits that small scale interventions can make including in improvements to the urban realm which also promote active travel.
  7. The way in which national government satisfies itself that local government transport spending is being carried out efficiently and effectively is inconsistent and can be overly prescriptive as well as subject to 'clawback' (ie asking for further reviews, options or approval centrally - even after approval for funding the project has already been given).
  8. We recommend the following:
* Greater stability (and less competition funding) for local transport funding in line with the more long term approach now being taken to national road and rail infrastructure
* A fresh look at revenue funding for local transport in order to prevent local bus networks from melting away and in order to retain the capacity of local transport authorities to implement capital schemes effectively and efficiently
* Examine scope for new funding streams such as those which could capture more of the land value uplift that investment in transport schemes can bring
* Reform transport appraisal so it more effectively captures the transformative benefits of different kinds of transport schemes
* Move to more proportionate and consistent oversight by national government of local transport scheme delivery