

Local Government and the Strategic Roads Network – A Draft Position paper

The purpose of this paper

1. The Government has said that it wants increased investment in roads and the development of new funding streams for that investment and new structures to deliver it. This intention was stated by the Prime Minister in March and restated by the Secretary of State at the Conservative Party Conference.
2. To this end, DfT is already working on two related projects: a roads strategy and a Feasibility Study, looking at the ownership and financing of the strategic roads network (SRN) with a view to achieving a step change in investment.
3. The outcomes of the roads strategy and feasibility study will have significant implications for local government. They represent a once-in-a-generation opportunity to influence one of the most significant shapers of place. The state of our roads (both the 2 per cent that is trunk roads and the 98% that are local roads) has a major impact not only on local economies but on the quality of life, the desirability and the health of our cities towns and villages. If we fail to take this opportunity, vital decisions with significant local implications may be taken out of our hands.
4. A key question therefore is how we can secure greater local government influence over road infrastructure investment in the short and medium term through route based strategies and into the long-term through institutional reform (as determined through the feasibility study).
5. The government has pledged that in developing its road strategy it will institute a route-based approach that will “support a much greater local and regional stakeholder involvement in planning for the network and help to inform our investment decisions for the next spending review”.
6. There are three major issues that Local Government must influence:
 - 6.1. How a bottom up approach/local engagement in a route based roads model might work
 - 6.2. The future institutional structure to manage road investment
 - 6.3. Future funding mechanisms for roads
7. Engagement in the route-based approach is the key issue for local government. If the structure for engagement is the right one it will enable locally accountable politicians to influence the process of identifying and solving problems in the transport infrastructure. Issues of finance and structure are only relevant to local government in as much as they facilitate or frustrate this outcome.

The Government's proposals

The Roads Strategy

8. The roads strategy seeks to accommodate an anticipated 44 per cent increase in traffic on the strategic network by 2035 (compared to 2010). These projections run counter to expert opinion and may be reduced, not least because it is hard to see how the local roads network (LRN) could accommodate the extra traffic involved. The strategy but will focus on a small number of high level messages to set a framework for the future (rather than a specific set of investment projects).
9. The 2006 Eddington Report established that the strategic network connects the right places via the right routes and does not need significant alteration but there are parts of the network which appear not to be working – pinch points.
10. New road infrastructure proposals within this framework are presently likely to focus on these problem areas on the interurban network and, in addition, a limited number of new routes designed to take account of changes in economy and populations since the roads programme was first devised (the most obvious example being better roads to some ports). DfT is keen to avoid environmental controversy and sees an opportunity to do so by arguing that vehicles will become more CO₂-efficient in future and that roads can be environmentally positive, reducing congestion and by-passing villages, and using less environmentally intrusive routes for example the Hindhead tunnel. A route-based approach is expected to be central to roads strategy.

The Feasibility study

11. Although the Feasibility Study has yet to reach firm conclusions, it is likely to recommend some form of privatisation of the SRN and options will include (without being confined to) regionalisation. In a recent report the CBI called for an approach along these lines, based on the model used for water privatisation, with investment proposals fed through a High-Level Output Specification based on the approach used in the rail industry.
12. The challenge the Government faces is that attracting private investment is seen as requiring an income stream from the motorist to the operator to provide a return on investment. This might involve paying to use specific roads, hypothecating road/petrol tax in relation to road use or road pricing related to road use (and therefore requiring some form of surveillance). None of these is politically or technologically simple. The approach to financing, the institutional models and their governance are likely to be intrinsically linked and will potentially raise significant issues for local government.
13. Any institutional change, such as the application of the utilities model to highways, is not likely to take effect, if at all, until 2018. Likewise a major change in the way roads are funded seems unlikely in the short to medium term, as the Government has ruled out charging on the existing network.

The opportunity for local government

14. The involvement of local authorities in decisions and the provision of transport infrastructure is essential if the country is to invest successfully.

Transport infrastructure investment is a key plank of the Government's efforts to stimulate growth and has a vital influence on the delivery of policies on health, housing and the environment. The inadequacy of our transport infrastructure is perceived to be a national problem, but it is made up of numerous individual problems each of which is a local issue, with a unique combination of causes and potential solutions. The relationship between investment in transport infrastructure, economic growth and other policies is complex and requires local oversight and expertise if best value is to be obtained.

15. The local and the strategic roads network must be managed in concert.

Traffic does not disappear when it leaves the strategic road network it enters the local roads network. Improving the SRN with no thought for the effect on the LRN may simply speed drivers between local jams and therefore negate the benefits of investment. There is no absolute division between the SRN and the LRN, there are only individual journeys which share most of their route, and therefore any attempt to define the SRN and address its problems in isolation from the LRN will fail.

16. A broad route-based approach to transport problems is needed.

An approach is required that will allow national and local policy makers to work together to take a route-based approach (or an area based approach where that is seen to be preferable) to *transport* problems rather than addressing road problems in isolation, and to address them in the context of housing provision, access to services and health issues as well as in pursuit of economic growth.

17. For example where congestion on the strategic network is caused by short-distance commuter traffic it may be that providing alternative transport solutions and improved transport efficiency (i.e. reducing the need for travel by promoting homeworking or influencing the relationship between housing and employment) for commuters is a more economic approach than building a new road.

Where increased road capacity is thought to be the best solution to relieve traffic, the possibility that extra traffic, including that arising from subsequent development will negate many of the benefits needs to be properly considered and either accommodated at the design stage or averted through long-term planning and transport strategies. There is no shortage of evidence to show that previous road-building schemes have often failed to deliver promised benefits. This does not mean that road building is never an appropriate solution, but that it is one of a suite of solutions, the choice of which needs detailed consideration.

18. We must avoid simplistic assumptions about the economic case for addressing congestion.

An approach which attaches monetary values to time savings when calculating business cases in a complex modelling and assessment method has been criticised by transport economists.¹ The decision to build or not build a particular piece of transport infrastructure is a political decision which can be taken

¹ Metz, David (2008) 'The Myth of Travel Time Saving', Transport Reviews, 28:3, 321 -

in pursuit of a variety of policy goals, so long as those taking the decisions are locally accountable.

19. In developing a route based approach it will not be sufficient simply to consult with local government. The governance arrangements for developing route based approaches must facilitate, as a minimum, a partnership approach between local government, the HA (and any successor) and government.

20. The tests to be applied in setting out the governance approach are that it:

20.1. allows for locally-based solutions to specific issues, informed by national and local strategies and centrally and locally held expertise

20.2. addresses transport problems rather than looking at roads in isolation

20.3. considers transport in the context of other policies rather than as an end in itself

20.4. empowers local politicians to take decisions rather than tying their hands with inflexible formulae

A model of local prioritisation and decision-making

21. **Local authorities should have a primary role in prioritising infrastructure investment.** Local authorities working together and in partnership with central government and its agencies are in a strong position to understand what is needed locally to unlock growth and meet other priorities.

22. **A partnership approach with government is essential, but it needs to be centred in the local arena.** Our preferred approach would see bodies, perhaps the emerging local transport boards, taking on this role with national (DfT) representation. The boards need not own or directly control the infrastructure but could commission work from a private operator if the government decides it wants to pursue that route. Where city deals are in place, these may provide mechanisms that could take on the role outlined above.

23. In the case of transport issues occurring across common travel to work areas or cutting across regions it is important that there are mechanisms to bring relevant LTBs and LAs together with HA (and any successor) and the DfT to tackle particular strategic issues.

24. The key feature of the structure adopted is that it must be in a position to take a route-based approach, consider all modes and other solutions to transport problems) and relate transport infrastructure decisions to other policies both locally and nationally.

25. Whatever structure is adopted as a result of the Feasibility Study, it is obvious that the economic drag imposed by road congestion cannot be addressed solely by expanding road capacity in an attempt to outstrip demand. It will be necessary to

manage demand to some extent in the future (even if that extent is no greater than at present). At its most basic, allowing providers to charge motorists for road use would incentivise providers to encourage traffic, which makes little sense if the aim of privatisation is to raise funds for enhancements designed to increase capacity. The reality will be more complex, but a fifth test may need to be added to the list above: whatever mechanism is devised to produce an income stream from motorists to road providers must not create perverse incentives that present a barrier to the management of demand.

The offer to Government

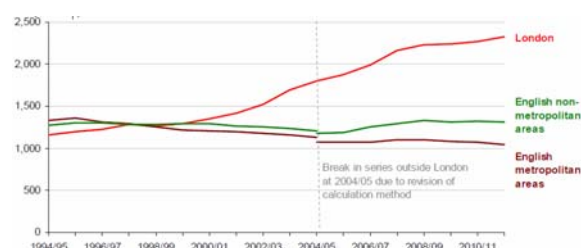
- 26. Local authorities want a greater say on the decisions taken on the strategic roads network and would welcome the opportunity to develop a partnership approach with the DfT on prioritisation of infrastructure investment.**
- 27. Local government will work on a sub-regional level with central government to identify and prioritise schemes**
- 28. Local Government will work to ensure that the emerging governance arrangements (LTBs and City regions) are able to take on greater decision-making responsibilities over the Strategic Roads Network.**
- 29. Local Government will work with delivery bodies, either the HA or its successor (private or public) to ensure that road schemes are appropriate, value for money, and meet local, regional and national requirements.**

Appendix B

Transport Digest: Buses

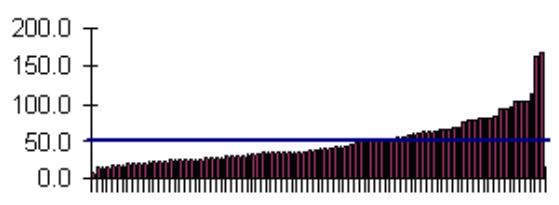
1. There were 4.7 billion bus passenger journeys in England in 2011-12.
2. Patronage has increased in London and the South East, but has declined elsewhere.
3. London accounts for half of all bus passenger journeys in England.

Fig 1 Annual Bus Passenger Journeys (millions)



4. Bus journeys per head of population vary enormously across local authorities. The average is 48.3 journeys per head of population, but the range is from 7.9 to 167.8 journeys per head of population.

Fig 2- Passenger journeys per head of population on local bus services by local authority: England, 2011/12 (excl Ldn)



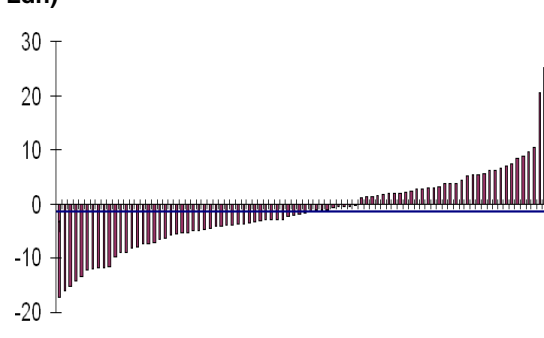
Sources:
Annual Bus Statistics, 2011/12, DfT
Concessionary Fare Statistics 2011/12, DfT
Buses and Economic growth, 2012, Green Journeys

Buses and Growth

- Bus commuters help generate £64bn of economic output every year.
- One billion bus journeys are made to places of work in the UK each year,
- People use the bus to make shopping and leisure trips with an annual value of £27.2bn.
- 1 in 10 bus commuters would be forced to look for another job if they could no longer commute by bus.
- More than 50% of students are frequent bus users and depend on the bus to get to their education or training.

5. The average change in bus journeys per head between 2009-10 and 2011-12 is -1.4%. However not all authorities have seen a decline in bus journeys.

Fig 3- % change in bus passenger journeys per head by local authority 2009/10-2011-12 (excl Ldn)



Concessionary bus travel

7. In 2011/12, there were around 9.8m older and disabled concessionary bus passes in England, with an average of 109 bus journeys per pass per year. Travel Concession Authorities (TCAs) paid £898m in 2011/12 to reimburse bus operators for concessionary journeys by older and disabled people, a fall of 2 per cent in real terms from 2010/11. 82 per cent of English TCAs' expenditure on concessionary travel in 2011/12 was on the statutory scheme.