

Infrastructure, Connectivity & Transport

Transport Infrastructure the Spending Review and other initiatives

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A confused situation!

Spending Review

National Rail and Highways Agency

Local government

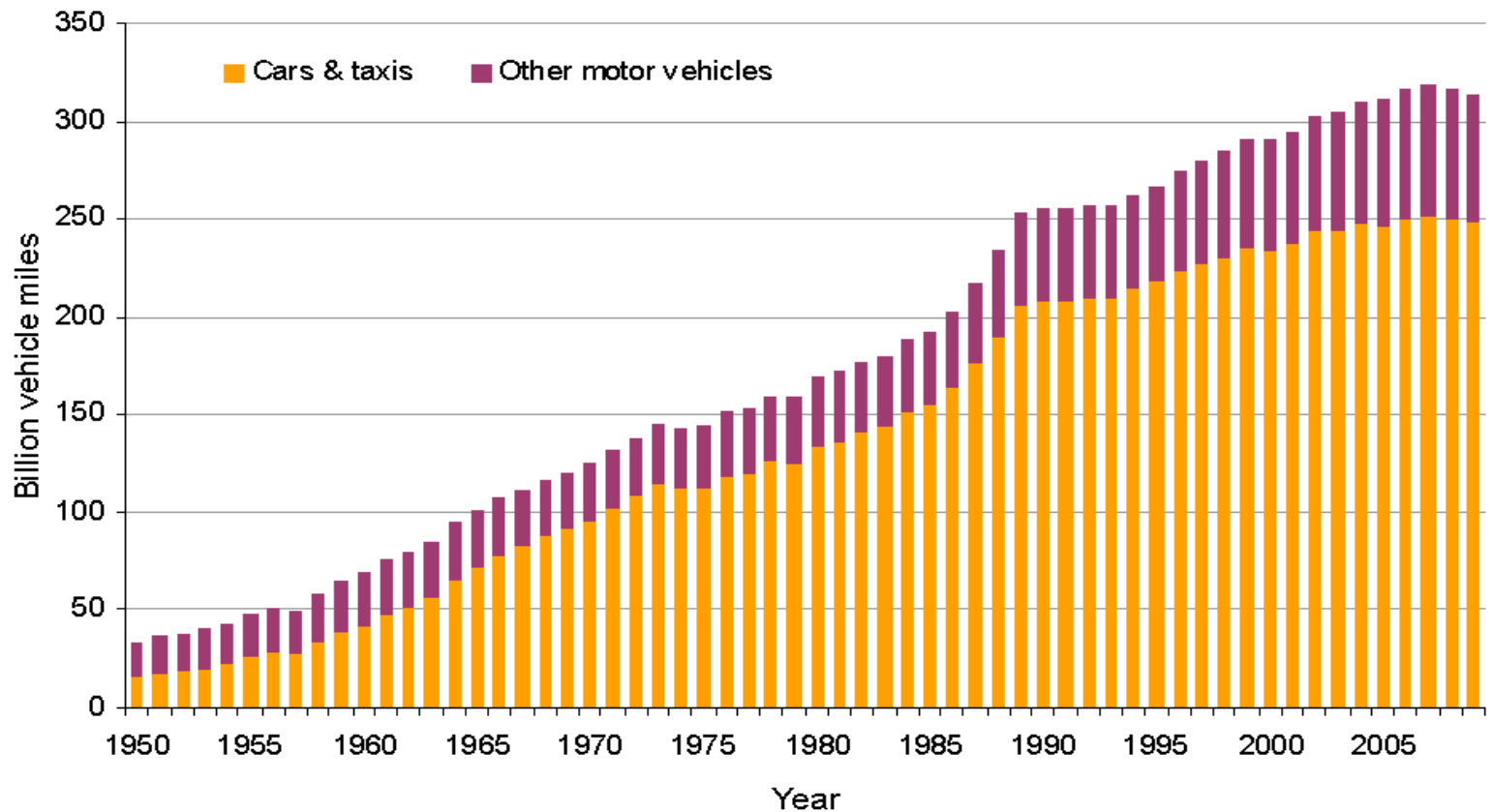
National Infrastructure Plan 2010

Localism Bill

The problem

Congestion and unreliability

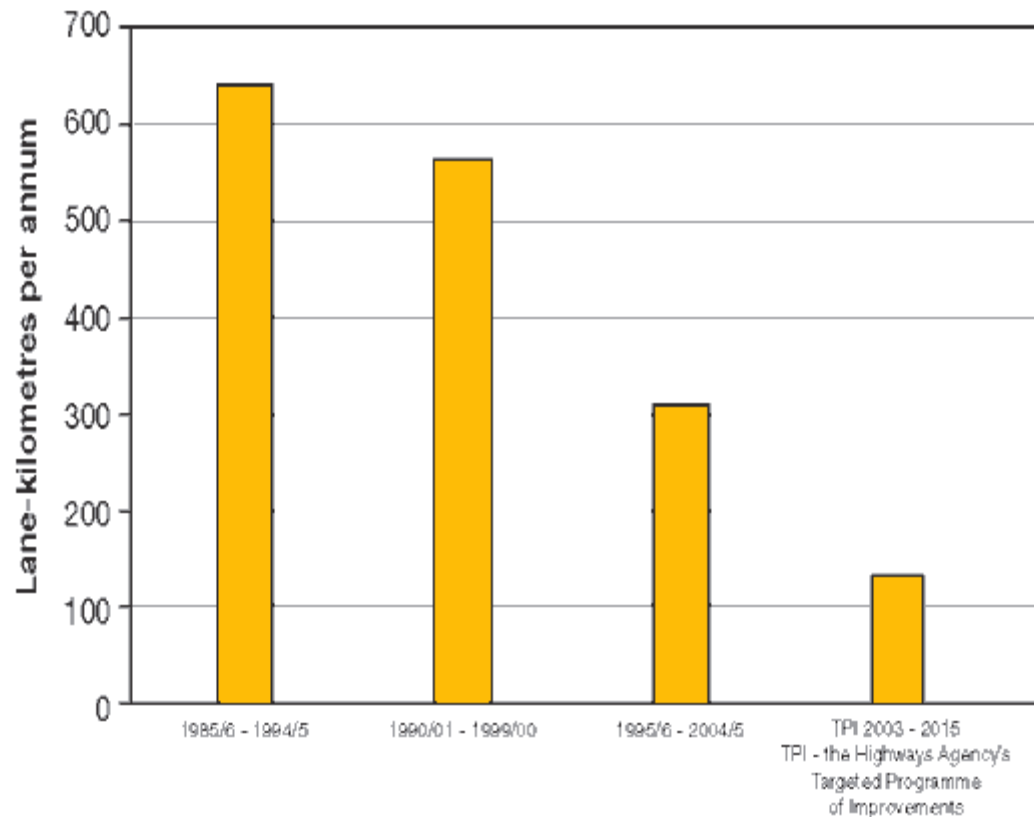
All motor vehicle traffic, Great Britain, 1950 - 2009



The problem

Congestion and unreliability

Figure 6.1: Actual and proposed rates of English trunk road construction



Source: Banks et al. (2007), Figure 2, p.12

Population growth

Region	%
North East	7
North West	10
Yorkshire and Humberside	19
East Midlands	21
West Midlands	12
East	20
London	14
South East	16
South West	20
All England	16

Source: OPCS (Office for National Statistics, 2006)

2010 – 2031

20% more people in some
Regions over next two
decades!

Traffic Stress

2005 volumes
+ 40%

Source:
Highways Agency and
RAC Foundation



Spending Review

“... the Chancellor pledged ... to maintain investment in new and existing infrastructure that will support a growing economy ...

... hard decisions about priorities that have allowed us to secure the investment in vital transport infrastructure that will support the national recovery”

(Transport Spending Review Press Notice)

Note

Rail carries 7% of passenger miles

Bus carries 7% of passenger miles

The rest is by road

Similarly for freight

Spending Review

Department for Transport

	£ billion				
	2010-11	2011-12	2012-13	2013-14	2014-15
Resource DEL ¹	5.1	5.3	5.0	5.0	4.4
Capital DEL	7.7	7.7	8.1	7.5	7.5
Total DEL	12.8	13.0	13.1	12.5	12.0

In this table, Resource DEL excludes depreciation

Transport capital “protected” (11% real cut)

ANNEX G - Indicative Analysis of Budgets
DfT Capital and Resource Budgets
Major Programme Areas

	Baseline 2010-11 Capital ¹	2011-12 Capital	2012-13 Capital	2013-14 Capital	2014-15 Capital
£m nominal expenditure					
National Roads (Highways Agency)	1,571	1,244	921	877	1,040
Rail (including net rail income)	3,778	4,109	4,896	4,662	4,532
Local government funding	1,618	1,554	1,503	1,465	1,664
<i>o/w Local Sustainable Transport Fund</i>	<i>n/a</i>	<i>30</i>	<i>40</i>	<i>60</i>	<i>80</i>
<i>o/w maintenance</i>	<i>871</i>	<i>806</i>	<i>779</i>	<i>750</i>	<i>707</i>
<i>o/w Integrated Transport Block grant</i>	<i>450</i>	<i>300</i>	<i>320</i>	<i>320</i>	<i>450</i>
<i>o/w Major local enhancement schemes</i>	<i>199</i>	<i>418</i>	<i>364</i>	<i>335</i>	<i>427</i>
London transport grants	n/a	424	352	184	0
Other programmes	719	400	410	292	281
<i>o/w Regional Growth Fund</i>	<i>n/a</i>	<i>165</i>	<i>100</i>	<i>-</i>	<i>-</i>
TOTAL	7,686	7,731	8,082	7,480	7,517

Rail increase

£750 m for High Speed Rail

Highways Agency cut by over 45% real

DfT Resource

£m nominal expenditure	Baseline					2014-15
	2010-11	2011-12	2012-13	2013-14	2014-15	% Reduction ²
National Roads (Highways Agency)	1,124	1,118	1,016	998	947	-23%
Rail (including net rail income)	-337	-87	-247	-483	-435	n/a
Local government funding ³	473	378	401	413	420	-28%
<i>o/w Local Sustainable Transport Fund</i>	<i>n/a</i>	<i>50</i>	<i>100</i>	<i>100</i>	<i>100</i>	<i>n/a</i>
<i>o/w transferred to CLG formula grants³</i>	<i>n/a</i>	<i>303</i>	<i>276</i>	<i>288</i>	<i>295</i>	<i>n/a</i>
Local PFI ⁴	170	195	239	311	320	71%
London transport grants	2,764	2,804	2,803	2,699	2,404	-21%
<i>o/w General TfL grant</i>	<i>1,934</i>	<i>1,943</i>	<i>1,922</i>	<i>1,795</i>	<i>1,517</i>	<i>-28%</i>
<i>o/w Investment grant</i>	<i>892</i>	<i>861</i>	<i>881</i>	<i>904</i>	<i>928</i>	<i>n/a</i>
Other programmes	1,091	1,007	907	1,131	884	-27%
<i>o/w Regional Growth Fund</i>	<i>n/a</i>	<i>-</i>	<i>-</i>	<i>200</i>	<i>-</i>	<i>n/a</i>
<i>o/w Departmental Administration</i>	<i>295</i>	<i>272</i>	<i>252</i>	<i>233</i>	<i>216</i>	<i>-33%</i>
VED Collection & Enforcement ⁵	191	189	190	191	191	-9%
TOTAL	5,141	5,299	5,033	4,971	4,436	-21%

HA Schemes continuing

Continuing Schemes

1.	M1 Junctions 10 – 13	5.	A1 Dishforth to Leeming
2.	M1 Junction 19 Catthorpe Viaduct Replacement	6.	A3 Hindhead
3.	M25 Junctions 16 – 23	7.	A421 Bedford to M1
4.	M25 Junctions 27 – 30	8.	A46 Newark to Widmerpool

Schemes starting work before 2015

A.	M1 Junctions 28 – 31	H.	M60 Junctions 8 – 12
B.	M1 Junctions 32 – 35a	I.	M60 Junctions 12 – 15
C.	M1 Junctions 39 – 42	J.	M62 Junctions 18 – 20
D.	M25 Junctions 5 – 6/7	K.	M62 Junctions 25 – 30
E.	M25 Junctions 23 – 27	L.	A11 Fiveways – Thetford
F.	M4 Junctions 19 – 20 and M5 Junctions 15-17	M.	A23 Handcross – Warninglid
G.	M6 Junctions 5 – 8	N.	A556 Knutsford – Bowdon

- 37.** The 14 schemes confirmed today will make a major contribution to the development of Britain's economy. For every pound invested, there will be over six pounds worth of public benefits. On some schemes, this figure will be higher than ten. Overall, these schemes will create more than £13bn of public value when completed.

So what was the return on

the other approved transport investments?

the road schemes not approved?

Schemes starting work post 2015

a.	M1/M6 Junction 19 Improvement	h.	A21 Tonbridge – Pembury
b.	M25 Junction 30	i.	A27 Chichester Bypass
c.	M6 Junctions 10a – 13	j.	A38 Derby Junctions
d.	A14 Kettering Bypass	k.	A45/A46 Tollbar End
e.	A160/A180 Immingham	l.	A453 Widening
f.	A19 Testos	m.	A5-M1 Link Road
g.	A19/A1058 Coast Road Junction	n.	A63 Castle Street

Schemes under review

w.	M20 Junction 10a	y.	M4 Junctions 3 – 12
x.	M3 Junctions 2 – 4a	z.	M54 to M6/M6 Toll link road

Cancelled schemes

A1 Leeming to Barton	A21 Flimwell to Robertsbridge
A19 Seaton Burn Interchange	A21 Baldslow
A19 Moor Farm	A47 Blofield to North Burlingham
A21 Kippings Cross	

A14 Ellington – Fen Ditton
Traffic officers??
Managed Motorway schemes?

Many delayed local schemes are roads

Schemes with Conditional Approval

To be considered for progression to Full Approval on a case by case basis

Scheme	Promoter
Walton Bridge	Surrey
Reading Station Highway Works	Reading
Isles of Scilly Link	Cornwall

Schemes in the Supported Pool

Will be funded subject to revised funding bids from Local Authorities. Funding to be confirmed in January following receipt of bids.

Scheme	Promoter
Thornton to Switch Island Link	Sefton
Taunton Northern Inner Distributor Road	Somerset
Heysham to M6 Link Road	Lancashire
Leeds Station Southern Access	Metro
East of Exeter	Devon
A57 M1 to Todwick Crossroads	Rotherham
Mansfield Public Transport Interchange	Nottinghamshire
Ipswich Fit for the 21st Century	Suffolk
Mersey Gateway Bridge	Halton
Midland Metro Extension	Centro

Schemes in the Development Pool
 Value for money confirmed but not all will be affordable. Subject to consultation and revised funding offers from Local Authorities. Details of 2011 on which of these will be funded.

Scheme	Promoter
Waverley Link Road	
Beverley Integrated Transport Plan	
A684 Bedale-Aiskew-Leeming Bar Bypass	
Norwich Northern Distributor Road	
Bus Rapid Transit Ashton Vale to Temple Meads	
Loughborough Town Centre Transport Scheme	
Leeds Rail Growth Package	
Nottingham Ring Road	
Access York Park & Ride	
Weston Super Mare package	
Bath Transportation Package	
A6182 White Rose Way Improvement Scheme	
Rochdale Interchange	
Crewe Green Link Southern Section	
Sunderland Strategic Corridor	
A18-A180 Link	
Manchester Cross City Bus	
Pennine Reach (East Lancs Rapid Transit)	
Supertram Additional Vehicles	
Hucknall Town Centre Improvement Scheme	
Leeds New Generation Transport (trial)	
Bexhill to Hastings Link Road	

Schemes in the Pre-Qualification Pool
 Value for money not clear. Subject to preliminary assessment before decisions in January 2011 on which of these can join the Development Pool.

Scheme	Promoter
A509 Isham Bypass	Northamptonshire
Watford Junction Interchange	Hertfordshire
A43 Corby Link Road	Northamptonshire
A1056 Northern Gateway	North Tyneside
Luton Town Centre Transport Scheme	Luton
Sunderland Central Route	Sunderland
Darlaston Strategic Development Area scheme	Walsall
Camborne-Pool-Redruth Transport Package	Cornwall
Castleford Town Centre Integrated Transport Scheme	Metro
A24 Ashington to Southwater	West Sussex
A164 Humber Bridge to Beverley improvements	East Riding
Northern Road Bridge	Portsmouth
Kingskerswell By-pass	Devon
South Bristol Link Phases 1&2	Bristol
Worcester Integrated Transport Strategy	Worcestershire
Chester Road	Birmingham
Lincoln Eastern Bypass	Lincolnshire
South Yorkshire Bus Rapid Transit Phase 1 (Northern Route)	SYPT
Morpeth Northern Bypass	Northumberland
Tipner Interchange	Portsmouth
Coventry-Nuneaton Rail Upgrade	Coventry/Warwickshire
A61 Penistone Road Smart Route (including QBC)	Sheffield
South Essex Rapid Transit	Essex/Thurrock/Southend
Bus Rapid Transit North Fringe to Hengrove Package	Bristol
Croxley Rail Link	Hertfordshire
Stafford Western Access Improvements	Staffordshire
Elmbridge Transport	Gloucestershire
Bus Corridor Improvement Scheme - Orpheus Bus Phase 1	Nexus
A338 Bournemouth Spur Road maintenance	Dorset
Evesham Bridge Maintenance	Worcestershire
A45 Westbound Bridge	Solihull
A38(M) Tame Viaduct	Birmingham
London Road Bridge	Derby
Leeds Inner Ring Road	

Functions of RDAs?

nb they are responsible for
funding lots of major roads

How will 25+ Local Enterprise Partnerships work?

Funding?

Infrastructure Planning Commission??

National Infrastructure Plan 2010

Foreword

For the economy to flourish, people, goods and information must move freely. Businesses across all regions and industries need the right conditions to grow. Reliable infrastructure: energy,

National Infrastructure Plan 2010

Very welcome: nb from Treasury

Realisation of vast future liability for all infrastructure

Acceptance that this will have to be paid for
Taxpayer or user charges

Commitment to NPS (but when?)

Support for Regulated Asset Base approach
nb it worked for railways in Spending Review

Strategic Roads like other regulated utilities?

Own income stream

Held accountable by independent regulation

A duty to meet the needs of users

Ensure that it is able to finance its functions

Monitor its performance in relation to stewardship and service delivery

Regional structure with yardstick benchmarking?

Strategic Roads Reform

The present system will continue to fail

Somebody needs to be responsible for national roads strategy

We need to generate new income stream(s) if we want more road investment

IF a user charging regime introduced
a new body is essential:
accountability; public acceptability

Road user charging?

Distance based charges

Partial offsetting by reduction in
VED and fuel duty

nb cheaper fuel in rural areas

Alternative: “shadow tolls”

responsible body paid by government under a
performance regime

Road user charging

The technology is mature

There are a number of systems in *successful* operation round the world

[www.international.fhwa.dot.gov
/pubs/roadpricing/roadpricing.pdf](http://www.international.fhwa.dot.gov/pubs/roadpricing/roadpricing.pdf)

Governance of new body?

A new public enterprise, public trust, public benefit corporation

avoids “privatisation”

A privatised, regulated utility

creates a capital sale value for government

Cf Dartford Crossing, High Speed 1, NATS

The SoS has set his face against pay-as-you-go charging, but UK is a behind the rest of the developed world.

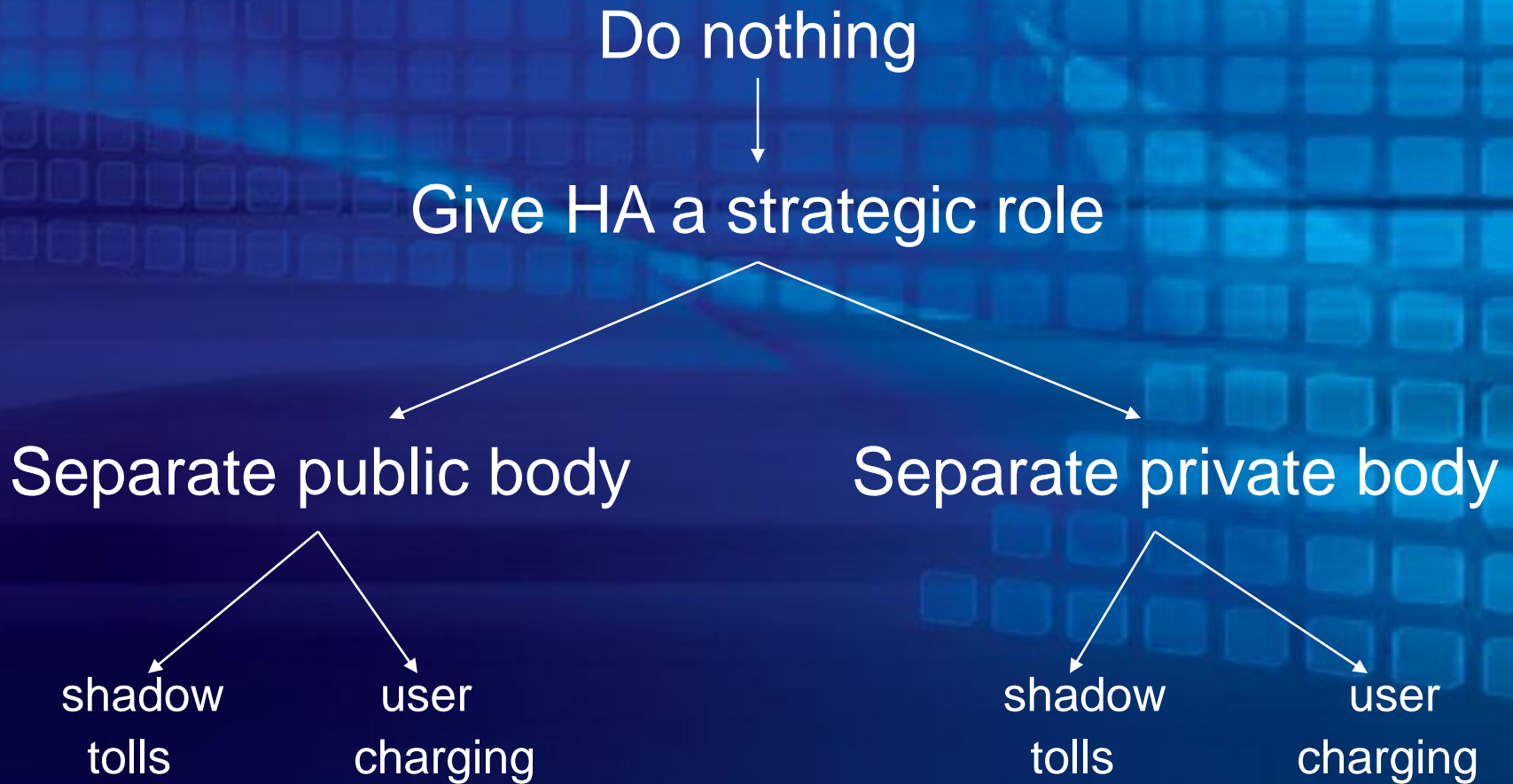
There is evidence that public will support a “deal” if they trust it

Surely HMT and IUK will take an interest?

Spending Review: reform of HA

Non-exec. Chairman; performance monitoring group; review structure and governance

The range of options





RAC
Foundation

We need a realistic national roads strategy!