



DEBATE PACK

Number CDP2018-0050, 22 February 2018

Spending of the Department of Transport

By Tom Rutherford

Summary

- Total public spending on Transport in 2016/17 was £29.14 billion. Of this, the overall budget of the Department of Transport (DfT) was £15.63 billion.
- There has been significant discussion and debate around whether London and the South-East receives a disproportionate share of transport expenditure, and particularly whether the North of England receives a “fair share” of expenditure.
- The new-style Estimates day debates provides the House with an opportunity to explore and scrutinise in more detail the DfT’s spending plans and priorities.
- The Transport committee has published a [Memorandum on the Supplementary Estimate 2017/18](#) setting out changes in departmental spending plans since the [Main Estimate](#).

Contents

1. Background	2
1.1 Overall DfT Spending	2
1.2 Changes to 2017/18 budgets in the Supplementary estimate	3
1.3 Regional Breakdown of Public Expenditure on Transport	3
1.4 Forward-looking regional transport spending	7
1.5 Non-Governmental information	9
2. Press Articles	10
3. Parliamentary Material	12
3.1 Supplementary Estimate Memorandum	12
3.2 Transport Select Committee	12
3.3 Written Questions	12
3.4 Oral Questions	17
Transport Infrastructure: the North	17
Regional Expenditure	20
3.5 Debates	22
3.6 Library Briefing Papers	22

The House of Commons Library prepares a briefing in hard copy and/or online for most non-legislative debates in the Chamber and Westminster Hall other than half-hour debates. Debate Packs are produced quickly after the announcement of parliamentary business. They are intended to provide a summary or overview of the issue being debated and identify relevant briefings and useful documents, including press and parliamentary material. More detailed briefing can be prepared for Members on request to the Library.

1. Background

Summary

- Total public spending on Transport in 2016/17 was £29.14 billion¹. Of this, the overall budget of the Department of Transport (DfT) was £15.63 billion².
- There has been significant discussion and debate around whether London and the South-East receives a disproportionate share of transport expenditure, and particularly whether the North of England receives a “fair share” of expenditure.
- The new-style Estimates day debates provides the House with an opportunity to explore and scrutinise in more detail the DfT’s spending plans and priorities.
- The Transport committee has published a [Memorandum on the Supplementary Estimate 2017/18](#) setting out changes in departmental spending plans since the [Main Estimate](#).

1.1 Overall DfT Spending

The table below shows DfT Core Spending for the years since 2012/13, until the end of the current Spending Review Period.

DfT TOTAL DEPARTMENTAL SPENDING		
Year	Status	£000
2012/13	OUTTURN	12,358,451
2013/14	OUTTURN	12,499,493
2014/15	OUTTURN	18,342,850
2015/16	OUTTURN	15,544,160
2016/17	OUTTURN	15,638,423
2017/18	PLANS	17,555,174
2018/19	PLANS	17,036,209
2019/20	PLANS	20,580,872

Source: DfT, [Total Departmental Spending Core Tables](#)

Overall Transport spending is considerably wider than the core DfT budget, as Local Government and other bodies have significant locus on transport expenditure. According to the Treasury’s [Public Expenditure](#)

¹ HM Treasury, [Country & Regional Analysis 2017](#), Accessed 21/2/2018

² DfT, [Total Departmental Spending Core Tables](#), Accessed 21/2/2018

[Statistical Analysis](#) publication, total central government spending on Transport in 2016/17 was £17.74 billion, around 60% of the overall Transport public expenditure total of £29.14 billion.

1.2 Changes to 2017/18 budgets in the Supplementary estimate

The changes proposed in the DFT's supplementary Estimate add £308 million (9%) to its current DEL³ budget; and £22 million (0.3%) to its capital DEL budget for 2017-18.

Amongst the changes being proposed are £265 million extra to cover HS2 VAT costs; £68 million extra to cover the costs of repatriating and compensating passengers after the Monarch airlines collapse and £5.6 million extra to cover Brexit related costs.

Net income from Passenger Rail services is now forecast to be £248.6m lower than was expected in the Main Estimate, the variance relates to revenues received from train franchises, including the adverse impact on revenues from the Thameslink, Southern and Great Northern franchise as a result of severe disruption from sustained industrial action and performance issues. HM Treasury is planning to provide £60 million extra to partially offset the lower than expected income.

There are also some changes to the capital funding of Network Rail, primarily relating to retiming of existing projects, including some funding diverted from HS2, which increase capital spending on Network Rail for the current year by £700 million⁴ (11%).

Further details can be found in the memorandum from DFT [here](#).

1.3 Regional Breakdown of Public Expenditure on Transport

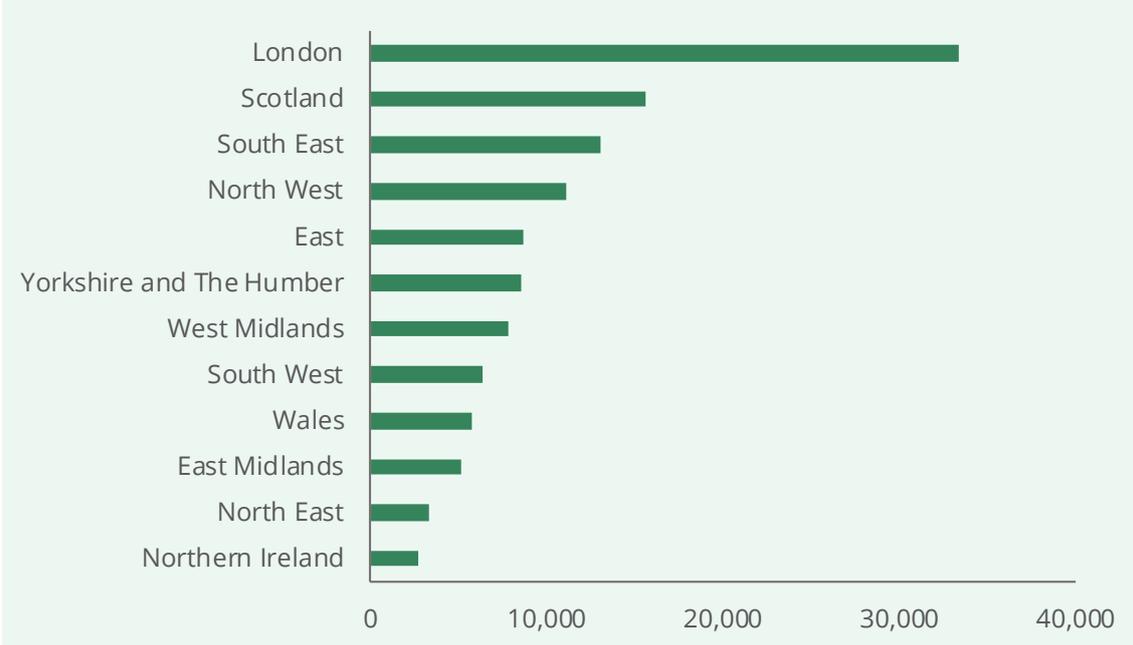
The chart and tables below give details of the overall level of public expenditure on Transport, broken down by sub-function and region of the UK. This includes spending across all public bodies, including devolved administrations and public corporations.

³ Departmental Expenditure Limits- previously set by the HM Treasury in the 2015 Spending Review, and modified from time to time since.

⁴ Within the separate, capital Annually Managed Expenditure budget, which lies outside the Departmental Expenditure Limits set by Treasury in Spending Reviews

OVERALL PUBLIC SPENDING ON TRANSPORT BY REGION, 2012/13 - 2016/17

£M, 2016/17 PRICES



OVERALL PUBLIC SPENDING ON TRANSPORT BY REGION

£000, 2016/17 PRICES

	2012/13	2013/14	2014/15	2015/16	2016/17	5-year total	
						Total Spending	% of UK Total
North East	566,337	581,495	636,196	751,596	768,077	3,303,701	2.7%
North West	1,860,642	1,825,956	1,935,381	2,800,267	2,670,387	11,092,633	9.2%
Yorkshire and The Humber	1,506,072	1,581,902	1,537,729	2,044,496	1,818,259	8,488,458	7.0%
East Midlands	843,160	962,058	1,060,682	1,218,180	1,040,936	5,125,016	4.2%
West Midlands	1,286,328	1,260,895	1,476,351	1,933,183	1,823,938	7,780,695	6.4%
East	1,432,652	1,476,525	1,585,091	2,068,774	2,042,780	8,605,822	7.1%
London	5,754,479	5,730,538	5,948,871	7,617,641	8,293,154	33,344,683	27.6%
South East	2,021,042	2,293,637	2,329,823	3,009,949	3,339,954	12,994,405	10.7%
South West	1,051,589	996,630	1,133,626	1,473,024	1,683,285	6,338,154	5.2%
Scotland	3,134,055	3,020,144	2,865,758	3,163,588	3,351,588	15,535,133	12.8%
Wales	1,147,931	1,066,644	1,050,904	1,234,317	1,173,232	5,673,028	4.7%
Northern Ireland	604,238	547,744	537,511	438,507	571,287	2,699,287	2.2%
UK Total	21,208,525	21,344,168	22,097,923	27,753,522	28,576,877	120,981,015	

PUBLIC SPENDING ON LOCAL PUBLIC TRANSPORT BY REGION							
£000, 2016/17 PRICES							
	2012/13	2013/14	2014/15	2015/16	2016/17	5-year total	
						Total Spending	% of UK Total
North East	64,921	60,489	60,327	63,993	51,104	300,834	2.4%
North West	185,546	186,393	186,630	269,148	257,343	1,085,060	8.5%
Yorkshire and The Humber	177,104	211,394	208,820	134,215	117,466	848,999	6.7%
East Midlands	111,743	125,040	102,954	111,176	89,180	540,093	4.3%
West Midlands	244,930	105,942	107,786	96,002	85,073	639,733	5.0%
East	126,398	107,760	95,216	81,465	74,472	485,311	3.8%
London	1,174,174	1,050,058	1,183,995	1,115,677	1,013,344	5,537,248	43.6%
South East	152,186	147,314	137,373	116,679	108,623	662,175	5.2%
South West	110,416	113,185	119,919	135,808	129,482	608,810	4.8%
Scotland	292,330	271,841	273,962	278,891	270,618	1,387,642	10.9%
Wales	74,713	53,933	48,878	45,539	45,419	268,482	2.1%
Northern Ireland	83,861	70,633	67,045	44,745	64,166	330,450	2.6%
UK Total	2,798,322	2,503,982	2,592,905	2,493,338	2,306,290	12,694,837	

PUBLIC SPENDING ON LOCAL ROADS BY REGION							
£000, 2016/17 PRICES							
	2012/13	2013/14	2014/15	2015/16	2016/17	5-year total	
						Total Spending	% of UK Total
North East	154,626	173,124	208,804	234,207	274,672	1,045,433	3.9%
North West	473,861	513,606	630,641	601,528	638,511	2,858,147	10.7%
Yorkshire and The Humber	394,868	416,473	446,457	418,986	523,223	2,200,007	8.3%
East Midlands	290,434	324,708	302,354	308,224	331,224	1,556,944	5.8%
West Midlands	403,804	404,199	420,238	423,618	444,222	2,096,081	7.9%
East	422,852	461,777	565,107	546,727	633,459	2,629,922	9.9%
London	548,022	486,379	409,188	475,220	371,211	2,290,020	8.6%
South East	515,604	607,709	654,594	587,338	572,508	2,937,753	11.0%
South West	434,217	450,386	500,555	508,093	530,942	2,424,193	9.1%
Scotland	733,842	721,663	698,101	706,652	693,940	3,554,198	13.3%
Wales	384,315	301,741	263,693	213,310	215,614	1,378,673	5.2%
Northern Ireland	356,148	385,860	358,804	251,376	331,777	1,683,965	6.3%
UK Total	5,112,593	5,247,625	5,458,536	5,275,279	5,561,303	26,655,336	

PUBLIC SPENDING ON NATIONAL ROADS BY REGION							
£000, 2016/17 PRICES							
	2012/13	2013/14	2014/15	2015/16	2016/17	5-year total	
						Total Spending	% of UK Total
North East	107,335	117,275	150,718	164,068	130,661	670,057	3.6%
North West	145,396	143,317	277,842	349,480	444,851	1,360,886	7.4%
Yorkshire and The Humber	295,458	276,794	428,765	472,283	382,691	1,855,991	10.1%
East Midlands	181,172	267,788	406,754	291,352	244,686	1,391,752	7.6%
West Midlands	222,294	292,327	358,980	391,191	353,698	1,618,490	8.8%
East	373,646	414,857	293,613	320,189	395,218	1,797,523	9.8%
London	39,581	37,907	43,180	26,047	26,044	172,759	0.9%
South East	534,117	709,539	731,968	763,809	836,880	3,576,313	19.5%
South West	226,483	163,315	221,420	255,271	233,118	1,099,607	6.0%
Scotland	648,878	594,740	638,155	724,067	752,978	3,358,818	18.3%
Wales	230,153	257,751	253,671	300,310	348,316	1,390,201	7.6%
Northern Ireland	24,063	15,560	16,970	18,468	9,107	84,168	0.5%
UK Total	3,028,576	3,291,170	3,822,036	4,076,535	4,158,248	18,376,565	

PUBLIC SPENDING ON RAILWAYS BY REGION							
£000, 2016/17 PRICES							
	2012/13	2013/14	2014/15	2015/16	2016/17	5-year total	
						Total Spending	% of UK Total
North East	220,115	204,862	190,957	263,648	291,294	1,170,876	2.0%
North West	1,006,705	932,681	780,782	1,509,157	1,262,196	5,491,521	9.4%
Yorkshire and The Humber	603,223	636,373	402,931	957,937	741,155	3,341,619	5.7%
East Midlands	231,543	209,903	202,341	454,281	332,320	1,430,388	2.5%
West Midlands	373,962	411,936	536,841	952,803	872,270	3,147,812	5.4%
East	465,105	445,409	573,753	1,039,903	883,223	3,407,393	5.8%
London	3,937,275	4,041,715	4,270,707	5,903,869	6,795,691	24,949,257	42.8%
South East	763,382	733,134	749,341	1,426,816	1,816,023	5,488,696	9.4%
South West	240,408	224,496	232,269	491,866	750,139	1,939,178	3.3%
Scotland	972,095	1,008,280	873,765	1,068,805	1,222,504	5,145,449	8.8%
Wales	419,844	409,655	439,504	624,208	517,004	2,410,215	4.1%
Northern Ireland	87,431	57,094	62,931	83,905	93,646	385,007	0.7%
UK Total	9,321,088	9,315,538	9,316,122	14,777,198	15,577,465	58,307,411	

The “Railways” spending for London and the South East include spending on Crossrail.

PUBLIC SPENDING ON OTHER TRANSPORT BY REGION							
£000, 2016/17 PRICES							
	2012/13	2013/14	2014/15	2015/16	2016/17	5-year total	
						Total Spending	% of UK Total
North East	19,340	25,745	25,390	25,680	20,346	116,501	2.4%
North West	49,134	49,959	59,486	70,954	67,486	297,019	6.0%
Yorkshire and The Humber	35,419	40,868	50,756	61,075	53,724	241,842	4.9%
East Midlands	28,268	34,619	46,279	53,147	43,526	205,839	4.2%
West Midlands	41,338	46,491	52,506	69,569	68,675	278,579	5.6%
East	44,651	46,722	57,402	80,490	56,408	285,673	5.8%
London	55,427	114,479	41,801	96,828	86,864	395,399	8.0%
South East	55,753	95,941	56,547	115,307	5,920	329,468	6.7%
South West	40,065	45,248	59,463	81,986	39,604	266,366	5.4%
Scotland	486,910	423,620	381,775	385,173	411,548	2,089,026	42.2%
Wales	38,906	43,564	45,158	50,950	46,879	225,457	4.6%
Northern Ireland	52,735	18,597	31,761	40,013	72,591	215,697	4.4%
UK Total	947,946	985,853	908,324	1,131,172	973,571	4,946,866	

Source: HM Treasury, [Country & Regional Analysis 2017](#)

The tables and chart above give the raw totals of spending, not controlling for differences in population between regions. Data on spending per head of resident population is presented in the table below, but should be treated with a degree of caution, as the resident population may not be the target beneficiaries of the spending. For example, if a motorway through the Yorkshire & the Humber region was upgraded, spending would be allocated to that region, even if the main purpose of the upgrade was to improve journey times between the North East, and the south of England.

PUBLIC EXPENDITURE PER HEAD ON TRANSPORT, BY SUB-FUNCTION										
England, 2016/17, £ per head										
	North East	North West	Yorkshire and The Humber	East Midlands	West Midlands	East of London	London	South East	South West	Total England
Transport	291	370	335	220	314	333	944	370	305	425
of which:										
national roads	50	62	71	52	61	64	3	93	42	55
of which: local roads	104	88	96	70	77	103	42	63	96	78
of which: local public transport	19	36	22	19	15	12	115	12	23	35
of which: railway	110	175	137	70	150	144	773	201	136	249
of which: other transport	8	9	10	9	12	9	10	1	7	8

Source: HM Treasury, [Country & Regional Analysis 2017](#)

Apart from roads spending, London receives significantly more spending per head of resident population on all other forms of transport expenditure. This reflects the relative concentration of public transport within the capital, and also the fact that many people who are not resident in London use the city's transport system on a frequent basis.

1.4 Forward-looking regional transport spending

Data are available from a range of sources looking at whether the differences in transport spending across regions identified above are likely to persist into the future. The [National Infrastructure and Construction Pipeline](#) (ICP) publication contains analysis of what projects are planned, and what the likely spending patterns are for future years.

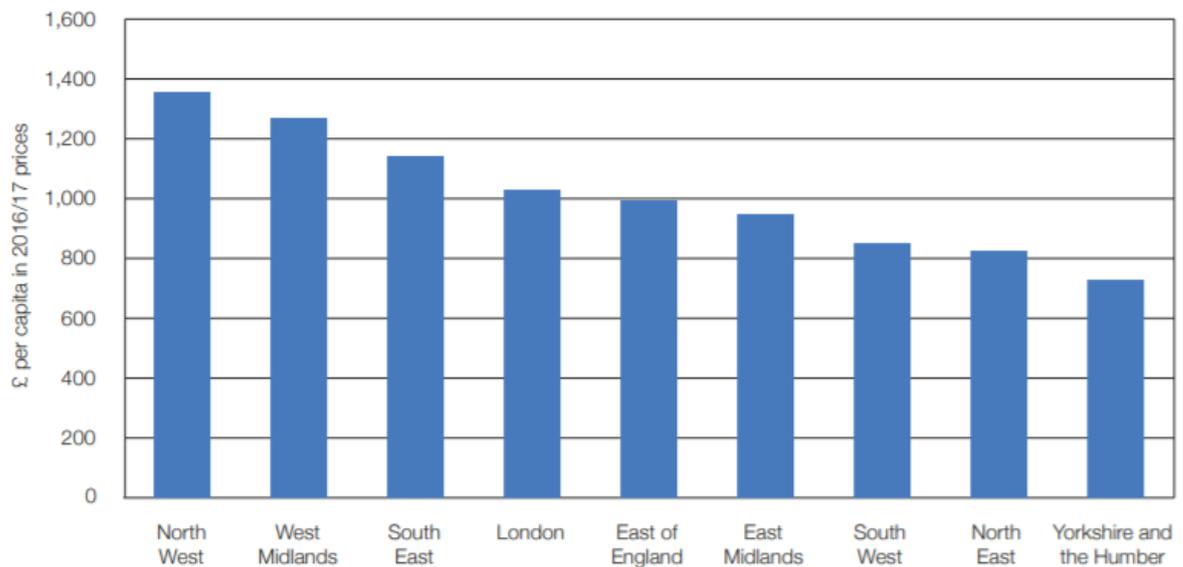
The analysis document⁵ contains data on the amount of transport infrastructure spending going to each region, as well as wider analysis of planned infrastructure improvements.

The table and chart below, reproduced directly from the analysis document, present data on transport infrastructure spending, per capita, that is planned from 2017/18 to 2020/21.

⁵ Infrastructure & Projects Authority, [Analysis of the National Infrastructure & Construction Pipeline](#), December 2017

Table 17: Central Government transport capital spending per head across regions²⁶

Region	Investment per person (£, 2016/17 prices)
East Midlands	£946
East of England	£994
London	£1,026
North East	£822
North West	£1,353
South East	£1,139
South West	£851
West Midlands	£1,269
Yorkshire and the Humber	£726

Chart 15: Central Government transport capital spending per head across regions

Several points should be noted with regard to these figures. As they refer only to direct Central Government expenditure, spending by local bodies, including Transport for London, is excluded. Further, some major cross-regional projects, such as HS2, are excluded from the analysis, as it is not straightforward on a forward-looking basis to allocate spending on these types of projects to individual regions. However, spending on projects related to HS2, such as upgrades of motorway junctions to enable access to stations, is included within these data, explaining a large portion of the spending in the West Midlands and North West regions.

1.5 Non-Governmental information

Various non-governmental think-tanks and other organisations have contributed to the debate on regional disparities of transport expenditure. IPPR North released a response to the Infrastructure & Construction Pipeline - [Future Transport Investment in the North: A briefing on the government's new regional analysis of the National Infrastructure and Construction Pipeline](#). This report challenges some of the assumptions made in the ICP analysis, and presents IPPR's breakdown of what spending figures would be on an alternative set of assumptions.

The "[Northern Powerhouse Independent Economic Review](#)", published in 2016, looked at the potential improvements in economic performance in the North of England that could be facilitated by improvements in transport, skills and inward investment.

The National Audit Office has recently produced a [Short Guide to the Department for Transport](#), looking at the structure and key outputs of the Department and its arm's-length bodies.

A report published by the Greater London Assembly Economics team – [Transport Expenditure in London](#) claims that merely considering the headline levels of expenditure on transport across regions does not take account of the need or demand for transport, and suggests that, measured on a per GVA (Gross Value Added), as opposed to per head basis, transport expenditure in London is largely in line with the national average. This report was accompanied by a [press release](#) from the Mayor, Sadiq Khan, headlined "Mayor busts myth London gets more than fair share of transport funding"

2. Press Articles

[Why Is London getting 10 times as much transport cash per head as Yorkshire?](#) – Yorkshire Post, November 7, 2017

The Transport for the North partnership has to develop plans for the whole region with just £10 million more than Transport for London spent on advertising in 2008, a Labour MP has said.

HYPERLINK "<http://www.yorkshirepost.co.uk/news/the-yorkshire-post-says-chris-grayling-snubbing-transport-debate-is-insult-to-all-of-yorkshire-1-8843833>" Diana Johnson added that London would get 10 times as much transport investment per head as Yorkshire in the next few years as she highlighted major inequality in Government spending.

[Transport in North of England needs £60bn, says regional body](#) – Financial Times, December 15, 2017

Fixing the transport system in the north of England will cost at least £60bn over 30 years, according to Transport for the North. The strategic transport body has been backed with £260m of central government funding to try to transform transport networks across the North East, North West and Yorkshire.

John Cridland, the former boss of the CBI business group who now chairs TfN, said he would unveil a 30-year plan in January. He added that, for it to succeed, the government would have to increase transport spending in the region by about a third to £150 a head.

[Government spends six times more per person on transport in London than the North, new figures reveal](#) – Independent on Sunday, August 7, 2017

The Government is being urged to close a north-south divide in transport spending that has seen more public money spent on London's new "Elizabeth" Tube line than on all projects across northern England combined.

A new analysis reveals that the Department for Transport will spend just £280 per person in the North over the next four years of Conservative government – compared with £1,870 per person in London.

[Fact Check: does the north of England now get as much transport spending as the south?](#) – theconversation.com, December 12, 2017

There is a widely held view, [fuelled by the media](#), that the north of England is hard done by when it comes to transport spending. Over

70,000 people recently [signed a petition](#) to the transport secretary, Chris Grayling, calling for more investment in transport in the north. Grayling has [responded by saying](#) the figures used to make this assessment are misleading, and that the northwest region now receives more transport spending than the southeast.

[New Report finds North-South divide in transport spending](#) – itv.com, January 24, 2018.

A new report has highlighted a North - South divide in transport spending.

The research by the IPPR North think tank indicates that planned transport investment in London is two-and-a-half times higher per person than in the north of England.

London will receive £4,155 per person compared with just £1,600 in the North West, North East and Yorkshire and the Humber regions combined.

Transport Secretary Chris Grayling sparked anger in July last year by supporting a new £30 billion Crossrail 2 scheme in London and the South East days after a series of rail electrification projects in Wales, the Midlands and the North were axed or downgraded.

[Boost northern transport spending, business leaders tell Grayling](#) – Financial Times, August 21 2017

Business leaders are demanding that the government boost infrastructure spending in the north after it scrapped or reviewed projects that were part of the Northern Powerhouse plan.

Two lobby groups representing thousands of companies have each written letters to ministers calling for an end to the north-south divide in investment in rail and road networks.

3. Parliamentary Material

3.1 Supplementary Estimate Memorandum

The Transport committee has published a [Memorandum on the Supplementary Estimate 2017/18](#) setting out changes in departmental spending plans since the [Main Estimate](#).

Further details on the new structure of debates considering Government expenditure are available from Library Briefing Papers on [Public Spending: New debates in the House](#) and [Revised Government spending plans for 2017/18](#)

3.2 Transport Select Committee

[Letter from Chris Grayling MP to Chair re rail electrification schemes](#) (8 February 2018)

[Response from Chris Grayling MP to Chair re Department policy](#) (25 October 2017)

[Inquiry into Cancelled Rail electrification schemes](#) – one off evidence session with Secretary of State Chris Grayling MP, 22 January 2018)

3.3 Written Questions

[Transport: North of England: Written question - 119074](#)

Asked by Mr Kevan Jones (North Durham), 12 December 2017

To ask Mr Chancellor of the Exchequer, with reference to his letter sent to all hon. Members regarding the National Infrastructure and Construction Pipeline on 12 December 2017, if he will publish a breakdown of the overall planned transport spending per head figure of £1,039 per head for the three Northern regions.

Answered by: Andrew Jones, 18 December 2017

The breakdown of central government transport investment per person in each English region between 2017/18 and 2020/21 was published on 6 December, in the Infrastructure and Projects Authority's Analysis of the National Infrastructure and Construction Pipeline. The figures for each Northern region can be found here:

<https://www.gov.uk/government/publications/national-infrastructure-and-construction-pipeline-2017>

[Department for Transport: Advertising: Written question - 111783](#)

Asked by Diana Johnson (Kingston upon Hull North), November 2017

Department for Transport Department for Transport: Advertising111783

To ask the Secretary of State for Transport, how much (a) Network Rail, (b) Transport for London, (c) his Department, (d) Transport for the North and (e) Rail North have spent on advertising in each year since 2009-10.

[Please use this link to see full text of the answers](#)

[Railways: Per Capita Costs: Written question - 108501](#)

Asked by Mike Hill (Hartlepool), 18 October 2017

To ask the Secretary of State for Transport, for what reasons the per head spend on rail services is less in the north of England compared with per head spent in (a) London and (b) the national average.

Answered by: Paul Maynard, 26 October 2017

The Department focuses on delivering outcomes for transport users, not on how much is spent per head.

There are various problems with attempting to compare transport spending on a spend per head of regional resident population basis. The calculation for London for example doesn't account for the substantial number of daily commuters and visitors, both domestically and internationally, who will be using and benefitting from the roads and public transport networks but who aren't London residents. For example, two in every three rail journeys start or end in London and there are eighteen times more passengers arriving into London during a typical morning peak than at Manchester, the busiest northern city. In particular, as the main international gateway into and out of the country, London will be the location for transport investments which look to serve passengers well beyond the local resident population. The unique scale and urban density of London also means that large scale public transport networks are particularly important.

The Department for Transport does not allocate funding to transport on a 'per head of population' basis. Investment decisions are made based on a rigorous and fair appraisal process that ensures spending goes to the projects and programmes where it is most needed and delivers greatest value-for-money for both taxpayers and passengers.

We are increasing government infrastructure investment by 50% over the next four years, supporting growth and jobs across the country, and making sure it is spent on the projects prioritised by communities around Britain. As we emphasised in the Transport Investment Strategy, investment decisions should reflect a clear understanding of the particular needs of the country and that's why we welcome the regional

partnerships that are forming in different areas, like Transport for the North, which can speak with one voice on strategic transport planning to boost growth and economic development and who can help in deciding how best to invest in transport in their region.

We are delivering unprecedented investment in better transport across the north and delivering right now on dramatically improving journeys for passengers across the north, from phasing out the out-dated Pacer trains to delivering the Great North Rail Project to getting on with HS2 which will transform capacity and connections for millions, with stations in Manchester, Crewe, Leeds and Sheffield.

[Transport: Capital Investment: Written question - 5343](#)

Asked by Mr Stephen Hepburn (Jarrow), 17 July 2017

To ask the Secretary of State for Transport, what comparative assessment he has made of public spending per capita on transport infrastructure in (a) Tyne and Wear, (b) the North East, (c) London and (d) the South East.

Answered by: Jesse Norman, 21 July 2017

Figures on public sector spend per head of population at a regional level are part of the government's Country and Regional Analysis (CRA) statistics. However, there are significant caveats around the interpretation of these figures for transport spending.

The CRA attempts to allocate expenditure on the basis of which region benefits from the spend, rather than where it is made. However, this can be challenging as expenditure in one part of the country may actually benefit a different area, and this is particularly a problem for spending on the motorway, trunk roads, and the railway. For example, whilst spending on a local hospital is likely to predominantly benefit those who live in that area, spending on a motorway or railway line will benefit not just those living nearby but also those travelling from and to other areas across the country. Whilst the Department does try to record rail funding across the regions based on which passengers benefit, allocations are inevitably fairly imprecise.

In terms of the calculation of this regional spending on a per capita basis (i.e. per head of resident population), the calculation for London doesn't account for the substantial number of daily commuters and visitors, both domestically and internationally, who will be using and benefitting from the roads and public transport networks but who aren't London residents. In particular, as the main international gateway into the country, London will be the location for transport investments which look to serve passengers well beyond the local resident population.

The above caveats should be taken into account when looking at the CRA figures for regional Government expenditure on transport. The figures for 2015-16 relating to locations (b), (c) and (d) from the above request are shown in the table below. This information is published for government office regions only, and therefore is unavailable for (a) Tyne & Wear.

Table 1. Government expenditure on transport per head of population by region

	Total transport spend per capita
North East	£299
London	£973
South East	£365

Source:

HM Treasury Country and Regional Analysis (CRA) 2016

[Department for Transport: North Herefordshire: Written question - 71374](#)

Asked by Bill Wiggin (North Herefordshire), 19 April 2017

To ask the Secretary of State for Transport, how much his Department has spent in North Herefordshire constituency since 2015.

Answered by: Andrew Jones, 24 April 2017

Data on spend on transport infrastructure projects is not available at the level of North Herefordshire. However, figures are available for the West Midlands for total public sector transport spend, as outlined in the table below.

	£million	
	2014-15 outturn	2015-16 outturn
Total	1,434	1,964
Current	356	658
Capital	1,077	1,307

[Transport: Per Capita Costs: Written question - 68944](#)

Asked by Mr Stephen Hepburn (Jarrow), 23 March 2017

To ask the Secretary of State for Transport, how much per capita funding was spent on transport infrastructure in (a) the North East and (b) London in the most recent period for which figures are available.

Answered by: Andrew Jones, 31 March 2017

Figures on public sector spend per head of population are produced at a regional level as the HMT's Country and Regional Analysis (CRA) statistics. It is important to understand however significant caveats about the interpretation of these figures for transport spending.

In terms of the regional allocation of spending, the CRA attempts to allocate expenditure on the basis of which region benefits from the spend rather than where it is made. However, it is not always possible to put the value of spending down to certain parts of the country, and this is particularly a problem for spending on motorway and trunk roads and on the railway due to the nature of these transport networks. For example whilst spending on a local hospital is likely to predominantly benefit those who live in that area, and so it is fairly clear which region benefits from the spend, spending on a motorway or railway line in one area will benefit not just those living nearby but also those travelling from many areas across the country. Whilst the Department does try to distribute rail funding across the regions based on which passengers benefit, allocations are inevitably fairly imprecise.

In terms of the calculation of this regional spending on a per capita (i.e. per resident population) basis, the calculation for London does not account for the fact that London has a substantial number of daily commuters and visitors, both domestically and internationally, who will be using and benefitting from the public transport networks and roads in London but who are not residents in London. In particular, as the main international gateway into the country London will also have transport investments which look beyond just the local resident population.

The unique scale and urban density of London by comparison to other parts of the country also means that it is particularly suited to large scale public transport networks.

Taking the above into account, Government expenditure on transport for 2015-16 is shown in the table below.

Table 1. Government expenditure on transport per head of population by region

	Total transport spend per capita	of which: capital	of which: current
London	£973	£688	£285
North East	£299	£182	£116

Source:

HM Treasury Country and Regional Analysis (CRA) 2016

Definitions:

Capital expenditure is usually understood to mean capital formation, net acquisition of land, and expenditure on capital grants. Capital formation

is expenditure, net of sales, on fixed assets (such as buildings, vehicles and machinery) and net stock building, and can be measured gross or net of depreciation. Fixed assets are assets that can be used repeatedly to produce goods and services and generally last more than one year.

Current expenditure is spending on items that are consumed in the process of providing public services or, in other words, is recurring spending. This includes, for example, wages and salaries, benefits, and purchasing goods and services.

[Transport Modal Integration: Oral question c1132](#)

Asked by Mike Kane, 23 February 2017

The Institute for Public Policy Research North report this week revealed that London gets £1,500 more transport spend per head than the north. For the cost of one Crossrail project we could connect the four major cities of the powerhouse and the four existing runways, utilising the spare capacity, adding £100 billion to the economy and creating 850,000 new jobs. Does the Minister agree with the report?

Answered by Andrew Jones, 23 February 2017

I am aware of the report, and we await the recommendations from Transport for the North on northern powerhouse rail, but the point about the report is that it offers a snapshot of where we are at the moment. It reflects where individual projects are in development and delivery. The situation will look extremely different in a few years.

3.4 Oral Questions

Transport Infrastructure: the North

18 January 2018

Volume 634

- [Mr Alister Jack \(Dumfries and Galloway\) \(Con\)](#)

9. What steps the Government are taking to support investment in transport infrastructure in the north. [903372]

- [The Parliamentary Under-Secretary of State for Transport \(Jesse Norman\)](#)

As my hon. Friend will know, the Government are very committed to the northern powerhouse, and to giving the great towns and cities of the north of England more say over transport investment through Transport for the North. This Government are spending more than £13 billion to transform transport across the region—the biggest investment of its kind in the region for a generation.

- [Mr Jack](#)

The commencement of regional flights from Carlisle, which we hope will happen later this year, will be welcomed by my constituents. Will the Department look at ways to add additional services and to make it faster to reach central London from Southend?

- [Jesse Norman](#)

I share my hon. Friend's pleasure at the potential expansion of air services there, as elsewhere in the country. He should be aware that Greater Anglia provides train services from Southend Airport to London, and the entire franchise fleet is to be renewed, with more than 1,000 state-of-the-art vehicles and with the existing fleet retired by the end of 2020. That, combined with significant timetable changes, should mean that Greater Anglia is able to offer quicker, safer journeys, with reduced journey times, across the whole franchise—we are talking about something like 10%.

- [Mr Clive Betts \(Sheffield South East\) \(Lab\)](#)

Is it not the case that if the Government had not given the £2 billion bail-out to the operators of the east coast line, they would have had sufficient money to fund every electrification scheme that has been cancelled, including the midland main line, and have funds left over?

- [Jesse Norman](#)

As the hon. Gentleman will be aware, there has been no bail-out. *[Laughter.]* I notice that Opposition Members are happy to quote from *The Times*, and may I remind them that the Secretary of State responded to the scurrilous editorial piece with a letter of his own setting out the position? There has been no bail-out of any kind.

- [Alan Brown \(Kilmarnock and Loudoun\) \(SNP\)](#)

I welcome the Minister to his post. On his opening remarks, may I remind him that there is a north beyond the northern powerhouse, and it is called Scotland? In general, in order to deliver high-quality, reliable rail services, funding needs to be based on the needs of the sector, taking account of future growth, the size of the network and essential maintenance. Does he agree with those sound principles?

- [Jesse Norman](#)

I certainly share the hon. Gentleman's commitment to the fact that the north goes beyond the northern powerhouse—of course, I entirely agree with him on that. That is why the Government are involved with the borderlands growth deal, the precise point of which is to work with local authorities on both sides of the border. He will be aware that the high-level proposition to the UK and Scottish Governments on that was submitted last year. We will continue to work on that, and of course we will continue to invest in roads, alongside that process, to the extent that we can.

- [Alan Brown](#)

On the principles I was trying to lay out, Scotland has 17% of the UK rail network but was allocated only 10.4% of the UK spend. The Government regulator, the Office of Rail and Road, has stated that £1.9 billion is needed for essential repairs and £2.3 billion is needed to meet future demand. So why was the funding formula cut and why were experts ignored, leaving Scotland with a £600 million shortfall?

- [Jesse Norman](#)

As the hon. Gentleman will be aware, there has been a fiscal settlement which has changed over time, very much in consultation with and with the support of the Scottish Government. Of course, any changes to UK funding in England will be followed by Barnett consequentials, with an impact in Scotland.

- [Rachael Maskell \(York Central\) \(Lab/Co-op\)](#)

Well, investment does not seem to be working that well. The Carillion staff working on the Manchester-Bolton-Preston electrification project had their contract suspended this week. So can the Minister clarify this: should all these workers only expect the jobcentre phone number, as the Prime Minister said yesterday, or can he guarantee that these works, and all similar infrastructure undertakings, will continue to completion, with the current workforce, apprentices, supply chain and project plan?

- [Jesse Norman](#)

The hon. Lady will be aware that this Government have made it clear that anyone turning up to work on those schemes through subcontractors will continue to be paid in the normal way. It is important to get that message out there, and not to spread misinformation or misunderstanding about it.

- [Rachael Maskell](#)

The problem with the Minister's reply is that the vultures are already circling over the Carillion contract carcasses, which will place these projects into future risk, not least as companies such as Interserve and Mitie have had profit warnings served in the last six months. So what due diligence has he instructed officials to undertake of all contractors and will he end his market speculation by taking these contracts back in house?

- [Jesse Norman](#)

Had the hon. Lady done her homework, she would know that there is almost no exposure to the rail sector through the companies that she mentioned. The fact of the matter is that the contracts have often been reinforced and proofed. Certainly on the road side, which I obviously know best—I can refer her question to the rail Minister—we have joint-venture partners that are jointly and severally obliged to pick up these obligations, and they will do so.

Regional Expenditure

30 November 2017

Volume 632

- [Mike Amesbury \(Weaver Vale\) \(Lab\)](#)

5. What recent assessment he has made of the effectiveness of the regional distribution of transport spending. [902659]

- [Ian Mearns \(Gateshead\) \(Lab\)](#)

6. What recent assessment he has made of the effectiveness of the regional distribution of transport spending. [902660]

- [The Secretary of State for Transport \(Chris Grayling\)](#)

We recognise the importance of using infrastructure projects to support regional growth, which is why we are increasing Government infrastructure investment by 50% over the next four years. Such investment decisions are based on a fair and rigorous process that is designed to ensure that spending goes where it is most needed.

- [Mike Amesbury](#)

Will the Secretary of State put some power—some oomph—into the northern powerhouse, and pledge to get funding for passenger trains and platforms on to the existing Mid Cheshire rail link?

- [Chris Grayling](#)

As somebody who used to live very close to the Mid Cheshire rail link—indeed, I used to go walking alongside it—I am well aware of its potential. I have asked Transport for the North, which is taking the lead on making recommendations about new projects, to do work on this for me, but I should say to the hon. Gentleman that I am extremely sympathetic to the idea of trains running again on that railway line.

- [Ian Mearns](#)

Between 2011 and 2016, the average spending per head of the population on transport infrastructure in London was £725, but the similar figure for the north-east was £286. The investment in Tyne and Wear Metro, which is due in three or four years' time, is very welcome, but we have a very long historical legacy of under-investment. Will the new formula do something about that historical legacy of under-investment?

- [Chris Grayling](#)

To be honest, I am less concerned with formulae than with actually doing things. I am delighted that we are renewing the Metro trains, and I said yesterday that I am very keen to pursue the Blyth to Ashington extension to the Metro line. I am very keen to ensure that we continue to develop the road network in the north-east, which is why the opening of the first complete motorway link from London to Newcastle

is so important, why we need to keep on improving the A1 north of Newcastle and why dualling the A66 is so important. This is about doing things, and that is what is actually happening right now.

- [Lucy Frazer \(South East Cambridgeshire\) \(Con\)](#)

Does the Secretary of State agree that doubling the line from Ely to Soham, as part of the Ely area improvement works, will bring significant benefits to the eastern region?

- [Chris Grayling](#)

Absolutely. I regard this, along with the trans-Pennine upgrade, as one of the key priorities for the next railway investment control period. The Ely junction project will unlock freight and passenger capacity in a really important part of the country. Along with the investments we are putting in place elsewhere, it is a very important part of our strategy.

- [Steve Double \(St Austell and Newquay\) \(Con\)](#)

I thank the Secretary of State for his support in securing £79 million of funding for a new link road from St Austell to the A30 in my constituency, as confirmed in the Budget last week. Does he agree that this and other schemes, such as dualling the A30 and the new trains that are soon to arrive in Cornwall, clearly demonstrate this Government's commitment to investing in transport infrastructure across the whole country?

- [Chris Grayling](#)

-

[Share this contribution](#)

I am grateful to my hon. Friend for his comments, and I am very pleased that we have got the go-ahead to deliver that road improvement for the people of Cornwall. It is really important for the regions of this country—whether the north-east or the south-west—and particularly areas that need to be given more infrastructure support so that their economies develop, to get the kind of investments that they are now getting, and we are very committed to going forward with that in the future.

- [Helen Goodman \(Bishop Auckland\) \(Lab\)](#)

17. Last week, the Chancellor announced an extension to youth railcards, but young people in my constituency have to take the bus to college, and the cheapest fare for a 17-year-old is £28 a week. Will the Secretary of State take some measures to help young people in the north as well as in the south? [902673]

- [Chris Grayling](#)

Bus fares are something over which my Department has less control, particularly with the new franchising arrangements that are coming into place, but I will most certainly make sure that the Under-Secretary of State for Transport who is responsible for buses, my hon. Friend the

Member for Hereford and South Herefordshire (Jesse Norman), is aware of the hon. Lady's concerns and that we respond to her.

3.5 Debates

[Industrial Strategy](#)

HL Deb 8 January cc12-31

[Sub-national Transport Body \(Transport for the North\) Regulations 2017](#)

HL Deb 18 December 2017 cc1848-1858

[Transport](#)

HC Deb 30 November 2017

[Transport in the North](#)

HC Deb 6 November 2017 cc1263-1300

[British Overseas Territories: Transport and Infrastructure](#)

HL Deb 07 September 2017 cc1-15GC

[Transport: Remote Island Communities in England](#)

HL Deb 20 July 2017 cc1749-1773

[Brexit: Transport](#)

HL Deb 6 February 2017 cc1537-1552

[Severn Bridges](#)

HC Deb 31 January 2017 cc279-297

[Transport: North-east](#)

HC Deb 23 November 2016 cc385-404

3.6 Library Briefing Papers

[CBP 06594](#) – Infrastructure Policies and Investment

[CBP 08130](#) – Transport Spending by Region

[CBP 07954](#) – Transport 2018: FAQ for MPs

[CBP 07676](#) – The Northern Powerhouse

[CBP 07425](#) – Transport for London: funding

About the Library

The House of Commons Library research service provides MPs and their staff with the impartial briefing and evidence base they need to do their work in scrutinising Government, proposing legislation, and supporting constituents.

As well as providing MPs with a confidential service we publish open briefing papers, which are available on the Parliament website.

Every effort is made to ensure that the information contained in these publically available research briefings is correct at the time of publication. Readers should be aware however that briefings are not necessarily updated or otherwise amended to reflect subsequent changes.

If you have any comments on our briefings please email papers@parliament.uk. Authors are available to discuss the content of this briefing only with Members and their staff.

If you have any general questions about the work of the House of Commons you can email hcinfo@parliament.uk.

Disclaimer

This information is provided to Members of Parliament in support of their parliamentary duties. It is a general briefing only and should not be relied on as a substitute for specific advice. The House of Commons or the author(s) shall not be liable for any errors or omissions, or for any loss or damage of any kind arising from its use, and may remove, vary or amend any information at any time without prior notice.

The House of Commons accepts no responsibility for any references or links to, or the content of, information maintained by third parties. This information is provided subject to the [conditions of the Open Parliament Licence](#).