Transport policy in 2010: a rough guide

RESEARCH PAPER 10/28 19 March 2010

This paper is intended to provide an introduction to and an overview of transport policy in the UK in 2010, including:

- Who makes transport policy nationally, internationally and at the devolved and local levels?

- How is policy made?

- How much is spent on transport and how is that money raised?

- What are the main challenges in transport policy in 2010?

- What are the main political parties' transport policies?

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Summary

This paper is intended to give Members of Parliament, their staff and the public an overall idea of the framework for making transport policy at international, national, regional and local level:

- Section 1 gives a brief introduction to and history of transport;

- Section 2 explains the roles of transport policy makers both in the UK and abroad and indicates where one can find more information;

- Section 3 provides an overview of how transport policy is made and scrutinised and explains how one can get involved – no matter what your level of experience or interest; it also gives some signposts on common constituency issues – who is responsible for them and where you can get further assistance;

- Section 4 summarises the financial landscape – how much is spent on transport and what it is spent on; it also includes information on private finance initiatives and their involvement in the transport sector;

- Section 5 provides an introduction to the dominant theme in transport policy and planning over recent years – balancing economic growth against environmental pollution; this embraces modal switch, i.e. getting people out of their cars, the aviation sector, and public transport improvements; and

- Section 6 gives a brief introduction to the transport policies that have been announced to date by the main political parties and some of the smaller parties standing in the upcoming General Election.

The Appendix gives some ideas for further reading and information on where you can find more briefs from the House of Commons Library.

1   Introduction

We can't lose anyone at Transport, they're important ... Ok, the Department of Social Affairs is very important, but it's not Transport! Transport's cars, buses, trucks!

- Malcolm Tucker (The Thick of It, Series 1, Episode 1, 2005)

1.1   What is transport?

In June 2009 there were reports that London Underground staff had been given a book of quotations and were being encouraged to read out *bon mots* and words of wisdom to passengers.[1] Shakespeare and Goethe would talk to the weary and wide-eyed; to those rendered deaf by the iPod, suduko or the Book of Revelation; to children high on sugar and to sad-eyed commuters brought low by routine. All would be transported – both by the tube of metal racing beneath the Capital's streets and by the long-dead words of the Bard falling alive again from the lips of the harassed Tube driver. To transport someone is a feat of astonishing determination and imagination. Shakespeare did that emotional transporting with words; London's Underground does it physically with engineering.

Words are easy but transporting millions of people from one place to another requires another sort of creativity altogether. Since the dawn of mass transportation Governments have had to consider the problems that come with the movement of people – where they have come from, where they are going and perhaps most vexingly, how they get there.

From stagecoach, steam train and steam ship to motor omnibus, aeroplane and magnetic levitation rail; the means of transporting large numbers of people have changed beyond recognition over the past two hundred years. Each of those changes has allowed more people to move greater distances at greater speed, more often than not at an ever reducing price. But they have come with another cost – the 'externalities' of pollution and congestion. There has been another trade off, particularly in the modern, urban setting, between the availability of transport and the quality of the journey experienced – both on public transport and in the private motor car. Buddha was of the view that it was 'better to travel well than to arrive'; for many commuters at the beginning of the twenty-first century even that would be a trade off they would gladly accept.

1.2   A (very) brief history

A number of books have been written on the development of mass transportation in the UK – railways, air travel, buses and light rail and the private motor car – a selection of which is provided in the appendix to this paper.

The beginnings of what could be termed mass or 'public' transportation in this country are difficult to date. Prof. John Hibbs gives an arbitrary date of 1625, which was approximately when the first hackney carriage appeared in England. However, hackney carriages (taxis) had to 'ply for hire' (i.e. picking people up off the street), which was not the most efficient means of guaranteeing an income. Not long after, stagecoaches adopted the idea of the 'scheduled operation' (i.e. prior advertisement of a regular timetable for a service over a defined route). It was not until the early nineteenth century that the two principles of plying for hire and providing a scheduled service were combined in the omnibus – the first real example of mass public transportation as we would recognise it today.[2]

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[1]   "Tube drivers to read out Shakespeare quotations", *The Daily Telegraph*, 26 June 2009
[2]   John Hibbs, *The History of British Bus Services*, David & Charles (2004), pp15-16

Much has been written about the Victorian 'age of the railway' and its influence on our national life.[3] Many have considered the steam railway to be the natural consequence of Britain's industrial revolution:

> Hardly any other innovation symbolises and embodies the process of industrialisation during the 19th century as the railway does. The very symbol of rapid progress combined central innovations and materials of the first phase of industrialisation in Europe: The steam engine placed on wheels consumed coal and drew its load on iron and later steel rails. These rails had been rolled from wrought iron, which in turn was refined pig iron smelted in a coal-consuming blast furnace. The genesis of this new mode of transportation is traced back to the first industrial nation, namely Britain. Here, the points were switched for the path-breaking innovation of the railway for other countries as well.[4]

But Prof. Hibbs states that that need not necessarily have been the case and that steam-powered road vehicles could have been a viable option:

> It was by no means a foregone conclusion that the mechanisation of transport should have been so closely bound up with the railways. A model vehicle had been powered by steam before 1687, and the idea of using steam for traction continued to fascinate engineers until, in 1769, Joseph Cugnot built in France a full-sized vehicle which was capable of a speed of two and a quarter miles per hour. Various experiments in France, England and America followed, until in 1801 Richard Trevithick, a Cornishman, put the first really successful steam carriage on the road. There was then a pause, until the years between 1820 and 1840 saw rapid progress with the advent of the steam railway engine [...] Why ... was steam-driven road transport almost entirely a failure?

> Certainly it was not for want of trying [... but] The opposition of vested interests to the mechanisation of road transport was fierce and effective, supplemented, of course, by the same widespread prejudice that the railway promoters had to overcome. The Turnpike Trusts, which had given the country a network of roads quite capable of carrying steam carriages discriminated strongly against them, even though the House of Commons Select Committee of 1831 had found that the wheels of horse-drawn vehicles were more likely to damage the roads than those of steamers.[5]

Rail was one of the major success stories of nineteenth century Britain and in 1886 total British railway mileage was 16,700, almost four times what it had been in 1848. The impact on other means of transport was naturally enormous: "Canal and river traffic, coach and carriers' services, the coastal cargo vessel and passenger steam packet all felt the effects of railway competition".[6] It was not until the early twentieth century that the concept of the motor-bus really took off, alongside that of the private motor car.

By the mid-twentieth century public and private transportation as we know them today – in rail, road, sea and air – were all broadly in place and a structure for managing them had emerged, derived from their often privately funded beginnings, modified by the central-planning of the war years. The railways were in public hands, run centrally by the British Transport Commission (BTC), the pre-cursor to British Rail; while buses were regulated by regional traffic commissioners and operated in usually publicly-owned, local monopolies.

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[3]   e.g. G. E. Mingay, *The Transformation of Britain 1830-1939*, Routledge (1986), chapter 3; Jack Simmons, *The Victorian Railway*, Thames & Hudson (1991), chapter 14; and Christian Wolmar, *Fire & Steam*, Atlantic Books (2007), chapter 4

[4]   Rainer Fremdling for Groningen Growth and Development Centre, *European Railways 1825-2001, An Overview* (Research Memorandum GD-54), , August 2002, p1

[5]   op cit., *The History of British Bus Services*, pp19-21

[6]   G. E. Mingay, *The Transformation of Britain 1830-1939*, Routledge (1986), pp55-56

After 1948 there was a drive to centralise transport management both on the roads and the railways, and the Ministry of Transport and the BTC took control of much of the infrastructure and rolling stock on both modes of transport. There was some regional or local involvement in terms of the licensing of bus companies under the traffic commissioner system which exists in broadly the same format to this day.

Today the railway infrastructure is publicly owned[7] but the rolling stock and passenger services are in private hands, though heavily regulated from the centre. The Department for Transport took control of the rail network following the collapse of Railtrack in 2002 and the disbanding of the Strategic Rail Authority in 2005. Although the Department does not own the rolling stock it does specify in great detail in the franchises it awards the services it expects private companies to provide. The buses are in private hands following deregulation in the 1980s, and though there is certainly legislation which allows local authorities to be more involved with bus services, it is only scantily used.

2 Who makes transport policy?

2.1 UK Government

Transport policy is, in the main, made by the team of transport ministers, led by the Secretary of State for Transport, currently Lord Andrew Adonis.[8] The Department for Transport (DfT) is the lead Government department on this subject, though other departments play a role in some policy areas, such as the Treasury (setting budgets and taxes); the Department for the Environment, Food and Rural Affairs (environmental policy; they also have the policy lead on inland waterways); Communities and Local Government (planning policy); and the Home Office (road traffic and other transport-related offences and the licensing of wheel clampers).

The Department for Transport has not always existed in its own right:

1919	Ministry of Transport was created and given responsibility for railways and roads, though not buses
1920s/30s	Ministry of Transport acquired other responsibilities by various Acts of Parliament
1941	Ministry of Transport was merged with the Ministry of Shipping to form the Ministry of War Transport
1946	Ministry of War Transport was dissolved and its functions given to a new Ministry of Transport
1953	Ministry of Transport merged with the Ministry of Civil Aviation to form the Ministry of Transport and Civil Aviation
1959	Ministries of Transport and Civil Aviation decoupled
1970	Ministry of Transport merged with housing and local government to form the Department of the Environment

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[7] Network Rail took over the management of the rail infrastructure after the collapse of Railtrack; it was incorporated as a company on 22 March 2002, it is a company limited by guarantee (CLG); the company is 'not for profit' which does not mean it may not make a profit but that to do so is not its primary aim and any operating surplus will be reinvested in the rail network

[8] the Transport Committee recently criticised the frequent turnover of Transport Ministers and its effects on policy making; see: Transport Committee, *The performance of the Department for Transport* (fourth report of session 2009-10), HC 76, 4 March 2010, section 2

1976	Department of Transport established
1997	Departments of Transport, the Environment, Local Government and the Regional Agencies merged to create a new 'super ministry' under the control of the then-Deputy Prime Minister John Prescott – the Department for the Environment, Transport and the Regions (DETR)
2001	DETR broken up after the General Election and became Department for Transport, Local Government and the Regions (DTLR)
2002	DTLR portfolios were again broken up, creating Department for Transport (DfT)

There are also reorganisations within Government Departments, to reflect different linkages and priorities as policy is developed. The most recent of these occurred in April 2007 on the recommendation of Sir Rod Eddington. This shifted the DfT's structure away from modal-based teams (roads, rail etc.) towards network-based teams (city and regional networks, national networks and international networks).[9] This change is mirrored in the Ministerial responsibilities.

Each Government department is supported by a team of civil servants, and Ministers also have their own political staff. One of the perennial questions for students of Government has always been how much policy is made by elected Ministers and how far it is influenced by civil servants.[10] In terms of transport, John Prescott discussed his dynamics with the DETR's civil servants in his memoirs[11] as did Norman (now Lord) Fowler, the first Minister for Transport in Mrs Thatcher's 1979 Government.[12] The subject was also explored for comedic effect in series 3 of the BBC sitcom *Yes Minister* when Jim Hacker is asked to develop an 'integrated transport policy' and ends up mediating between the warring factions within the transport department.[13]

The DfT makes transport policy for the whole of the UK but there are some areas where European Union legislation takes precedence or where power has been devolved. It is also important to recognise that while policy is made by politicians of one stripe or another, within the broader transport framework there are numerous private companies and independent organisations that implement that policy. In a number of cases they also develop their own policies within a broader, more flexible legislative framework.

2.2 European Union

In the 1950s the six original European Economic Community (EEC) Members considered creating a European Transport Community based on the model of the European Coal and Steel Community. However, they decided instead to establish the EEC (and the European Atomic Energy Community), with a common transport policy as one of its aims. The European Economic Community, now commonly called the European Community or EC,[14]

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[9] *The Eddington Transport Study: The case for action: Sir Rod Eddington's advice to Government*, December 2006, para 1.153; the 2008 Annual Report describes the new structure and the rationale for it

[10] there are a large number of books on this subject; for example: Peter Hennessey, *Whitehall* (1988); Drewry & Butcher, *The Civil Service Today*, 2nd ed. (1991); and David Richards, *New Labour and the Civil Service* (2007)

[11] John Prescott, *Prezza: My Story – Pulling No Punches* (2008), pp213-217

[12] Norman Fowler, *Ministers Decide: Memoir of the Thatcher Years* (1992), pp111-115

[13] Jonathan Lynn, Antony Jay eds., *Yes Minister, Vol. 3*, BBC Books (1983), 'The Bed of Nails'

[14] the European Economic Community, EEC or Common Market, was established in 1957 by the *Treaty of Rome* and came into being in 1958; the European Community, which replaced the EEC in 1993, forms one

was formed under the *Treaty Establishing the European Communities* (the Treaty of Rome), signed on 25 March 1957.

Article 3(f) of the *Treaty Establishing the European Communities* (TEC) on the activities of the Community states that they shall include "a common policy in the sphere of transport". Detailed provisions are set out in Title V TEC, Articles 70-80, and Title XV on Trans-European Networks, Articles 154-6.[15] Since 1973, when the UK joined the then EEC, the wording has changed only in so far as the earlier Treaty stated (in Article 3(e)) that its activities included "the *adoption* of a common policy in the sphere of transport". The adoption of the common transport policy was initially very slow and in 1982 the European Parliament (EP) took the Council to the European Court of Justice (ECJ) for its failure to act in adopting the common policy. Following the ECJ ruling in 1985[16] there was more progress, and in recent years the pace of action in this area has been rapid.

In the *Treaty of Rome* there were few specific requirements, with Article 71 referring only to the need for "common rules applicable to international transport, rules on the provision of transport services by non-residents in the Member States", "measures to improve transport safety" and "any other appropriate measures". The *Single European Act* amended the original Article 84 (now Article 80) to allow the Council of Ministers to decide whether to extend the transport provisions to sea and air transport, as well as to the existing rail, road and inland waterways. Since the mid-1960s the Council has adopted measures on, amongst other things, drivers' hours, the technical specifications for road vehicles, state aids in the transport sector, a system of Community licences for commercial road transport, trans-European networks, competition, transport safety and air passenger rights. Increasingly, tackling environmental challenges has become an important element of the EC's transport policy and in 2001 the Commission set out a ten-year strategy on sustainability in the transport sector in a transport white paper.[17] The Commission published a review of the white paper in June 2006 which took more account of phenomena such as terrorism, globalisation, climate change, EU enlargement and increases in oil prices.[18]

A European Parliament Factsheet gives more information.[19]

Generally speaking, the EU acts on transport issues where there is a transnational element – such as on almost all aviation and maritime issues, type approval of road vehicles, licensing, transport networks etc.

2.3   Devolved Governments in London, Scotland, Wales and Northern Ireland

London

In July 1997 the new Labour Government published a consultation paper on its proposals for a new Greater London Authority (GLA).[20] In March 1998 the Government published its final proposals. On transport, it stated that the Government had three key aims: to deliver an integrated and sustainable transport strategy in London; to create a unified body to tackle

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part of the European Union or EU; the EU is the over-arching structure, comprising the Community and two inter-governmental 'Pillars'; for more information, see: HC Library Standard Note SN/IA/3689

[15] OJC 321, 29 December 2006

[16] Case 13/83, 22 May 1985

[17] EC, *European transport policy for 2010: time to decide*, COM (2001) 370, September 2001

[18] EC, *Keep Europe moving - Sustainable mobility for our continent: mid-term review of the European Commission's 2001 Transport White Paper*, COM(2006) 314 final, June 2006

[19] EP, *Transport Policy: general principles*, July 2008

[20] DETR, *New leadership for London: a consultation paper*, Cm 3724, July 1997

transport issues on a London-wide level; and to define clear boundary lines between the responsibilities of the Government, the GLA and the Boroughs.[21]

Under the *Greater London Authority Act 1999*, London's buses, trains, Underground system, traffic lights, taxis and river transport, now fall within the control of a single institution, Transport for London (TfL). The Mayor is responsible for policy and all statutory duties rest with him. He has a duty to produce an integrated transport strategy for London. TfL implements the Mayor's transport strategy and oversees transport services on a day-to-day basis. The London Assembly approves the integrated transport strategy and the transport budget, scrutinises the performance of TfL and the Mayor, and is able to conduct wider investigations of transport issues.

More information on transport governance in London can be found in HC Library research paper RP 08/36, *Transport in London* and in section 6.1, below, on Conservative transport policy.

Scotland

The *Scotland Act 1998* divided legislative responsibility for transport between the UK Parliament in Westminster and the Scottish Parliament in Edinburgh. Those powers that were transferred to the Scottish Parliament are referred to as **devolved**. Those that remain with Westminster are **reserved** powers. In some areas which are reserved in legislative terms, however, Scottish Ministers have executive powers to implement UK legislation. The powers relating to transport in Scotland that are reserved to the Westminster Parliament were summarised by the Government in a Written Answer given in the House of Lords in June 1999.[22] A detailed overview of the devolved transport areas is given in SPICe briefing 07/23.[23] Generally, those areas that are reserved are those where it is important to maintain consistency across the UK, for example: safety; disabled access; vehicle and driver standards; or where the UK has to meet international obligations.

More information on transport in Scotland can be found in HC Library standard note SN/BT/3192, *Transport: Scotland*.[24]

Wales

The *Government of Wales Act 1998* established the National Assembly for Wales, the first elections to which were held in May 1999. In terms of transport, the framework within which the Assembly and the Department for Transport operate was set out in a concordat, published in 2003 and last modified in 2004. The aim of the concordat is to "provide the framework to guide the working relationship between the Secretary of State for Transport, other Ministers and officials of the Department for Transport … and the Welsh Assembly Government, comprising the Assembly First Minister, Ministers and their officials".

In 2005 the then Secretary of State for Wales published a White Paper setting out proposals to enhance the legislative powers of the Assembly; these were subsequently enacted by the *Government of Wales Act 2006*. Part 3 and Schedule 5 of the Act introduced a new mechanism, proposed in the White Paper, by which legislative competence can be conferred on the Assembly, with Parliament's approval, in respect of specified matters set out in the Schedule as amended by Orders in Council. Legislative Competence Orders (LCOs) are

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[21] DETR, *A Mayor and Assembly for London*, Cm 3897, March 1998, para 5.13
[22] HL Deb 17 June 1999, c50WA
[23] SPICe, *Transport in Scotland: subject profile*, May 2007 [07/23]
[24] all HC Library standard notes referred to in this document are available on the Internet at:
       http://www.parliament.uk/topics/Transport.htm

considered both in the Assembly and at Westminster and in the latter case must be approved by motions in both Houses of Parliament.[25] Field 10, listed in Part I of Schedule 5 to the 2006 Act, outlines those transport areas ('matters') where the Assembly may currently make LCOs. At time of publication, there is only one:

Matter 10.1

Provision for and in connection with—

(a)   the making, operation and enforcement of schemes for imposing charges in respect of the use or keeping of motor vehicles on Welsh trunk roads;

(b)   the application of the proceeds of charges imposed under such schemes towards purposes relating to transport.

More information on transport in Wales can be found in HC Library standard note SN/BT/3156, *Transport: Wales*.

Northern Ireland

In Northern Ireland all transport issues are devolved to the Assembly. It passes its own primary legislation, although it often closely shadows that of Westminster. The Department for Regional Development (DRDNI) is responsible for transport policy and announced a review of the Regional Transportation Strategy 2002-2012 in September 2009. DRDNI is responsible for roads and railways (which are run on a day-to-day basis by Translink); the Department of Environment is responsible for driver and vehicle licensing and testing and for road safety; and the Department for Transport in Westminster retains power over the regulation and safety of aviation and shipping.

2.4   Regional bodies

National transport decision-making in England is increasingly taking place at a regional level, with regional priorities influencing how the Government spends money on transport. Within each region, a number of organisations lead the development of local and regional transport policy. The three key overarching bodies in each region (outside of London) are the Government Office, the Regional Assembly and the Regional Development Agency, with local authorities generally remaining responsible for implementing transport schemes (except rail and trunk road schemes which are the responsibility of the Highways Agency and Network Rail). Each region generally has a mechanism or board by which these bodies interact and make decisions.

In 2006, the Government announced those local and regional transport schemes in England that it is minded to fund up to 2016, following the submission of advice from each region regarding their priorities. Alongside this, the regions have been developing Regional Transport Strategies as part of their statutory obligation to produce Regional Spatial Strategies, which outline how transport will contribute to housing, land-use and employment policies. The Sub-national Review, published in July 2007, outlined the Government's plans to integrate all regional strategies (e.g. spatial, economic etc.) into one single regional strategy; this was implemented as Part 5 of the *Local Democracy, Economic Development and Construction Act 2009*.

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[25]   for more information on the procedural aspects of LCOs, see section F2 of HC Library standard note SN/PC/4407

2.5   Local authorities

Local authorities are responsible for delivering transport schemes on the ground. Local government in England (outside London) is structured in two ways. In parts of England, a single tier 'all purpose council' is responsible for all local authority functions (generally called Unitary or Metropolitan). The remainder of England has a two-tier system, in which two separate councils divide responsibilities between district and county councils. The transport responsibilities for each structure are as follows:

Where two tier:

- **County Councils** (e.g. Essex County Council) – responsible for producing local transport plans, general transport strategy, passenger transport and highways

- **District Councils** (e.g. Uttlesford District Council) – responsible for parking and other revenue collection from transport; also responsible for local planning decisions that invariably involve transport issues (for example, in the case of Uttlesford District Council, all planning decisions related to Stansted Airport go through them)

Where single tier:

- **Unitary Councils** (e.g. City of York, Thurrock etc) – responsible for producing local transport plans, general transport strategy, passenger transport and highways, parking and other revenue collection from transport

At a micro-level, Parish Councils are elected bodies with limited discretionary powers and rights, laid down by Parliament, to represent their communities and to provide services to them. Around 80 per cent of Parish Councils represent populations of less than 2,500 and are often a lobbying voice at a very local level for local transport improvements.

In 2006, local authorities submitted to Government their second Local Transport Plans, which outline local authority five year transport strategies to 2011.

In February 2009 the powers of local transport governance in the metropolitan areas of England changed and they became Integrated Transport Authorities.

The relationship between regional bodies and local authorities can be a confusing one. Basically, the bigger schemes in local authority transport plans (i.e. those costing over £5 million) that have a regional as well as a local significance, are likely to be put in the regional transport strategy. But this does not happen as a matter of course – regional bodies assess bids made to them by local authorities and then they produce a list of schemes, graded by importance, for which they will then bid for funds from the Government. The local authorities can still bid to part-fund them through their transport plans, and the costs of a large regional scheme can be shared between the region and one or more local authorities. A rejection of a local scheme by a regional body does not mean that it is the end of the scheme, rather that the local authority will have to find the money itself if it wants to go ahead with it.

Further information on local and regional transport planning and funding can be found in HC Library standard note SN/BT/4351, *Local and Regional Transport Policy in England*.

2.6   Other organisations and private companies

Other roles and responsibilities are devolved to a number of Government agencies and other non-departmental public bodies (NDPBs), sometimes colloquially called 'quangos'. NDPBs are defined as bodies which have a role in the processes of national Government, but are not Government Departments or part of one, and which accordingly operate to a greater or

lesser extent at arm's length from Ministers.[26] The Department for Transport sponsors the following NDPBs and other bodies:

- **Executive NDPBs**: British Transport Police Authority (BTP Authority); Passenger Focus; Railway Heritage Committee (RHC); Renewable Fuels Agency; Trinity House Lighthouse Service (THLS); Northern Lighthouse Board

- **Advisory NDPBs**: Commission for Integrated Transport (CfIT); Cycling England; and the Disabled Persons' Transport Advisory Committee (DPTAC)

- **Tribunal NDPB**: the traffic commissioners and their deputies

- **Other organisations**: Office of Rail Regulation (ORR); Standing Advisory Committee for Trunk Road Assessment (SACTRA); Low Carbon Vehicle Partnership; BRB (Residuary) Ltd ; a number of trust ports; and the Civil Aviation Authority

Although they do not make policy (or at least not formally – there is a much debated and controversial history of business lobbying Government[27]), there are also a number of private transport operators – often represented by umbrella industry groups[28] – that manage day-to-day transport services. Private companies such as National Express, Stagecoach, Go Ahead, Arriva and First Group run a number of rail and bus services across the UK while a number of ports and airports are owned by international investment groups like Global Infrastructure Partners, Babcock & Brown Infrastructure, and the Macquarie Infrastructure Group. In the bus, ports and airports sectors these companies work within broad policy guidelines, but they make independent decisions about things like service levels, noise and environmental issues. In the rail and aviation sectors their activities are regulated by sector-specific bodies.

3 How is transport policy made and how can I influence it?

3.1 Policy development and implementation

For any new government, policy development begins in opposition. Governments are elected on the back of their manifestos. These documents tend to be a mix of specific policy commitments and broader statements of aspiration. They do not always include everything that a party plans to do in government on a particular policy area.

For example, the Conservative manifesto for the 1979 election outlined the Party's intention to sell shares in the National Freight Corporation; relax the Traffic Commissioner licensing regulations to enable new bus and other services to develop and encourage new private operators; and improve productivity at British Rail. In the event, the Conservative Government introduced three *Transport Bills* in the 1979-1983 session of Parliament which, *inter alia*, introduced all of the above as well as new bus grants; reduced state involvement with the transport sector and encouraged the involvement of private capital (in rail, buses and vehicle testing); and extended the use of fixed penalties for motoring offences and altered other penalties in this area. Labour's 1997 election manifesto was much more detailed, promising, *inter alia*, to reform rail regulation and set up a new strategic rail authority; introduce a public-private partnership for London Underground; introduce local bus partnerships; and conduct a strategic roads review. All this was legislated for in the 1997-2001 Parliament, in addition to other changes such as the part-privatisation of National Air

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[26] Cabinet Office, *Public Bodies 2008*, June 2009, p3
[27] see, for example: Charles Miller, *Lobbying* (1990); and Public Administration Select Committee, *Lobbying: Access and influence in Whitehall* (first report of session 2008-09), HC 36, 5 January 2009
[28] e.g. Association of Train Operating Companies; the Confederation of Passenger Transport; the Airport Operators' Association and the Chamber of Shipping

Traffic Services; and the introduction of local road charges, statutory bus concessions and local transport plans.

Once a government has been elected, the next stage of policy development is usually the publication of a green or white paper proposing the relevant legislative changes required to implement the manifesto and any other policy changes it has promised. Green papers are essentially consultation documents, while white papers are statements of policy. There can be consultations on white papers but the consultation tends to happen before the publication of a white paper. For example, the Government's 1998 transport white paper[29] and its accompanying 'daughter documents' and the 2003 aviation white paper[30] were all preceded by major public consultation exercises. There is a code of practice on consultation.[31]

At some stage the white paper will be followed by primary legislation – a Bill in Parliament – to implement the main legislative changes set out in the white paper. That Bill might be published beforehand in draft form, for further consultation and Parliamentary scrutiny (see below). Once it has passed through both Houses of Parliament the Bill is given Royal Assent and becomes an Act, however the provisions contained in the Act do not always become law immediately.[32] There are usually several, and often many, provisions that merely give the power to make regulations or orders; this requires secondary legislation – statutory instruments. In many cases there will be consultation on the contents of these statutory instruments prior to their final publication. There may also be accompanying guidance for implementation bodies, required as a consequence of the policy changes in the Act. This will usually be subject to further consultation.

Further information on the legislative process for Government Bills can be found in HC Information Office Factsheet L1, *Parliamentary Stages of a Government Bill*; information on the Statutory Instruments procedure can be found in Factsheet L7, *Statutory Instruments*.

Aside from domestic legislation – which originates with the government of the day – there is European legislation. Member States cannot unilaterally opt out of parts of the Treaty or parts of adopted legislation they do not like without running the risk of serious consequences, including the possibility of hefty fines at the European Court of Justice. Opt-outs from EC legislation can be negotiated during the passage of a draft proposal. Once a proposal has been adopted, it is no longer possible to opt out from that particular proposal. The Commission may subsequently propose an amendment to that proposal, at which point the issue can be re-negotiated. Member States can influence the Commission and make a case for a proposal, but the Commission has the sole right of initiative to table proposals.

There are three types of EC legislative instruments. Under Article 249 of the EC Treaty:

> A regulation shall have general application. It shall be binding in its entirety and directly applicable in all Member States.
>
> A directive shall be binding, as to the result to be achieved, upon each Member State to which it is addressed, but shall leave to the national authorities the choice of form and methods.
>
> A decision shall be binding in its entirety upon those to whom it is addressed.

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[29]   DETR, *A new deal for transport: better for everyone*, Cm 3950, July 1998
[30]   DfT, *The Future of Air Transport*, Cm 6046, December 2003
[31]   HMG, *Code of Practice on Consultation*, July 2008
[32]   a list of provisions in Acts legislated for since 1997 and since repealed and a list of provisions in Acts legislated for since 1997 and not yet brought into force, are available on the Deposited Papers page of the Parliament website

Directives only apply in those Member States to which they are directed and they usually need implementing legislation to become effective. Regulations are directly applicable and are supposed to become law uniformly and automatically in the Member States without needing further implementation. Derogations can be obtained from directives, regulations and "common rules", but they have to be negotiated, or provided for under a procedure defined in the instrument itself.

Once agreed, EU transport legislation is usually implemented in the UK via Statutory Instruments.

Further information on the legislative process for EU legislation can be found in HC Information Office Factsheet L11, *EU Legislation and Scrutiny Procedures*.

3.2 Role of Parliament

Parliament is the legislative branch of Government; one of its main jobs is to scrutinise the Executive (Government). Parliament has the power, in theory if not always in practice, to prevent the Government of the day passing its legislation. What normally happens is that deficiencies or omissions in a Bill are examined during the Parliamentary scrutiny process and amendments are proposed and made to the legislation.

It is becoming increasingly common for Bills to be published in a draft form, both for public consultation and to allow Committees of the House to examine them and make recommendations on their contents. In recent years, the Departmental Select Committees have taken an increasingly active role on what is called pre-legislative scrutiny and transport has often been ahead of the curve. For example:

- in 2004 the HC Welsh Affairs Committee and the Economic Development and Transport Committee of the Welsh Assembly published a joint report on the draft *Transport (Wales) Bill* – the first time that a HC committee had met formally with a committee of a devolved administration to scrutinise a draft Bill;

- in 2007 the European Scrutiny Committee published a report on the proposed EU-US Open Skies Agreement, publishing in the same report an opinion by the Transport Select Committee on the same issue; ESC received documentary evidence from the DfT, the Transport Committee held oral sessions; and

- also in 2007 the Transport Committee examined the draft *Local Transport Bill*; at the same time the draft Bill had been put out to public consultation. The Committee's report and the results of the consultation both fed into the final Bill which became the *Local Transport Act 2008*; throughout the legislative process there were further consultations on draft statutory guidance and there followed more consultations on draft regulations. The Bill, having been through the Lords first, was heavily amended at Commons Report stage.

Select Committees do not just examine legislation. The Transport Select Committee scrutinises the DfT's work on an annual basis, and usually publishes a report on the Department's strategic direction and the practical implementation of its priorities. Other Committees also hold aspects of the DfT's policy to account – with Public Accounts and European Scrutiny being the most obvious examples. The DfT's responses to the Committee's reports are published within a statutory timeframe and many of the Committee's reports are subject to further debates in the House or in Westminster Hall (e.g. recently on rail fares and franchises).

Further information on the role of select committees can be found in HC Information Office Factsheet P2, *Departmental Select Committees*.

3.3 Public involvement

The most formal way for an individual to influence policy is by voting – for the national Government, for an MEP to scrutinise European legislation, and for local councillors who develop and implement policies on the ground. Less formally, one can also join special interest and pressure groups that lobby Parliament and the Government on specific issues – such as climate change or fuel taxes.

One of the duties of Members of Parliament is to assist their constituents and to represent their views in Parliament. MPs debate legislation and topical issues (as explained above), and you can make your views known to your MP by contacting them directly. MPs also sit on select committees that scrutinise Government policy and draft legislation (again, see above). Individuals can respond directly to select committee inquiries by submitting written evidence which the Committee will take into consideration when questioning Ministers and writing their reports.

Similarly, responses can be made directly to Departmental consultations on draft legislation and proposed policy changes. Every Department has a consultations page on their website; this should clearly set out current consultations, how to respond to them and the timeframe for doing so. You should also be able to find summaries of responses to previous consultations, these usually aggregate public responses on individual questions that formed part of the consultation. It should also give the Department's reasons for how they intend to proceed following the consultation.

The public can also make representations direct to Parliament via petition. The right to petition the Crown and Parliament to air grievances is a fundamental constitutional principle. Further information on this device and how to go about submitting a petition can be found in HC Information Office Factsheet P7, *Public Petitions*.

3.4 Common constituency issues

This section illustrates some of the most common transport-related issues raised by constituents – who has responsibility for dealing with the issue and where one can get further assistance.

- **Parking and wheel clamping** – parking was decriminalised almost twenty years ago – meaning that the enforcement of parking is now a civil matter for the relevant local authority. The policy, relevant guidance etc. are explained in HC Library standard note SN/BT/2235; there is a formal parking appeals service for England and Wales and a separate one for London. Wheel clamping on private land is a constantly recurring issue – proposals are currently being debated in Parliament to properly regulate this industry and allow maximum tariffs, minimum signage requirements etc. to be set. Full details are given in HC Library standard note SN/BT/1490.

- **Bus services and bus passes** – bus services were deregulated in the 1980s and the vast majority of services – including rerouting, timetabling and the closure of routes – are the responsibility of the private operators concerned; there is very little local authority involvement except where an area has adopted an agreement. Further information on how bus services in England are run is given in HC Library standard note SN/BT/1523. Local authorities fund concessionary bus fares and they have discretion over those that they offer, with the exception of the statutory concessions for the over 60s (though the qualifying age for this is rising to 65 over the next ten years) and disabled people. Full details are given in HC Library standard note SN/BT/1499. The Government is in the process of setting up a statutory passenger rights body to protect bus passenger interests; details of this and the current non-

statutory bodies which may be able to help in the event of a complaint, are given in section 2 of HC Library standard note SN/BT/3163.

- **Unadopted roads** – there are a significant number of local and residential roads that are, for one reason or another, not the responsibility of the local highway authority (usually the county council) to maintain; that responsibility usually rests with the people who live on the street. It is possible to get the local authority to 'adopt' the road and become responsible for maintaining it, but this usually comes at the cost of bringing the road up to a reasonable standard. The law in this area is quite complex; an overview is given in HC Library standard note SN/BT/402. In the first instance one should contact the local highways agency about any road that is causing concern.

- **Access to transport for disabled people** – there are a number of schemes designed to give disabled people better access to public transport; the ones most often raised are the Blue Badge parking scheme, details of which can be found in HC Library standard note SN/BT/1360, and the Motability scheme, details of which can be found in HC Library standard note SN/BT/473. Issues about mobility scooters can be found on the DfT website and more general concerns about access to buses, trains, ships and planes are covered in HC Library standard note SN/BT/601. Local authorities are required to take accessibility into account when drawing up their local transport policies.

- **Road schemes** – new road schemes of regional importance – like bypasses and ring-roads – are usually funded through the Regional Funding Allocation, which the regional bodies bid for from the DfT. Smaller schemes will be planned and funded through the local transport plan process and larger schemes of national importance are managed and funded by the Highways Agency. It can be difficult sometimes to figure out what is happening with a particular scheme. The Highways Agency website lists major schemes by area and road and is a good place to start; the transport schemes approved for RFA funding are available on the DfT website. For local road schemes, the first port of call should be the local highways authority (usually the county or unitary council).

- **Driving licences** – almost all of the driving licence rules and requirements are set down in EU law, which is then implemented by domestic legislation. The current licensing requirements are set out in HC Library standard note SN/BT/3060 and the current medical standards are set out in HC Library standard note SN/BT/387. There are separate requirements for motorcycle riders and there has recently been some controversy over the new requirements for motorcycle licensing and testing and the knock-on impact for testing centres; this is covered in HC Library standard note SN/BT/3259. Any procedural queries or problems should be addressed to the DVLA, the Agency responsible for driver licensing in the UK.

- **Rail services and train fares** – the railways were privatised in the mid-1990s and rail services are now run by private companies on a franchise basis. Local rail stations are usually maintained by the main franchisee running services through that station and there will usually be specifications in the franchise about their upkeep and improvement. The infrastructure (i.e. the track, signals etc.) is, however, publicly owned again following the collapse of Railtrack in 2001. Network Rail now maintains the infrastructure and as such has ultimate responsibility when there are maintenance delays which have a knock on effect for rail services. HC Library standard note SN/BT/4128 provides a guide to who does what in the rail industry, while details of passenger rights and who can help with passenger complaints are provided in section 1 of HC Library standard note SN/BT/3163. Fares are always a controversial subject.

Details of those fares which are limited (regulated) by the Government, rail cards and other discounts can be found in HC Library standard note SN/BT/1904.

- **Traffic offences and speed cameras** – people often get exercised by speed cameras and speeding offences generally, usually by the way in which any mitigating circumstances might be dealt with and by the fixed penalty system. Of course, one should consult a legal professional about individual cases, but generally the rules on speed camera use and deployment are set out in HC Library standard note SN/BT/350 and information on how to appeal a speeding fine is widely available on the Internet as well as being provided with the fine when issued. Many police forces also offer speed awareness courses in lieu of a penalty or driver improvement courses for some non-speeding offences. For more serious road traffic offences, particularly those that result in death, there are often concerns about the sufficiency of available penalties. Details of these can be found in HC Library standard note SN/BT/1496.

4   Transport finances

4.1   Overall transport spending, 1987/88-2008/09

Table 1 provides details of public expenditure on transport from 1987/88 to 2008/09, Figures covering the decade from 1987/88 to 1997/98 are on a cash accounting basis, while those from 1998/99 are on resource accounting basis and therefore cover accruals. Although the two decades are, therefore, not directly comparable an analysis of the real terms change in expenditure highlights that more pronounced increases were observed in the last decade. Between 1998/99 and 2008/09 real terms expenditure on transport increased by 124%, whereas between 1987/88 and 1997/98 there was a 12% fall in real terms expenditure.

Table 1 Public expenditure on transport, 1987/88 to 2008/09

Cash	Nominal terms (£billions)	Real terms 2008/09 prices (£billions)	Nominal terms annual % change	Real terms annual % change
1987/88	6.4	12.8		
1988/89	6.3	11.8	-1.6%	-7.8%
1989/90	7.3	12.8	15.9%	8.2%
1990/91	8.3	13.5	13.7%	5.4%
1991/92	9.2	14.1	10.8%	4.6%
1992/93	10.8	16.1	17.4%	13.9%
1993/94	10.0	14.5	-7.4%	-9.9%
1994/95	11.5	16.4	15.0%	13.2%
1995/96	10.9	15.1	-5.2%	-7.9%
1996/97	9.5	12.7	-12.8%	-16.0%
1997/98	8.7	11.3	-8.4%	-10.8%
Accruals				
1998/99	7.8	9.9	-10.3%	-12.2%
1999/00	7.9	9.9	1.3%	-0.7%
2000/01	9.0	11.1	13.9%	12.4%
2001/02	11.3	13.6	25.6%	22.8%
2002/03	14.8	17.3	31.0%	26.9%
2003/04	16.3	18.5	10.1%	7.1%
2004/05	16.0	17.7	-1.8%	-4.5%
2005/06	17.0	18.5	6.3%	4.3%
2006/07	20.0	21.1	17.6%	14.3%
2007/08	20.7	21.2	3.5%	0.6%
2008/09 estimated	22.3	22.3	7.7%	5.1%

Source: HM Treasury *Public Sector Statistical Analyses 2009* Table 4.2
Public sector expenditure on services by function, 1987-88 to 2008-09

Table 2 outlines investment in transport from 1997/98 to 2007/08. Railways are clearly associated with the largest increases in investment over this period: national rail infrastructure investment increased by 189% over this period and investment in national rolling stock increased by 252%. Investment in public road infrastructure increased by 47% between 1997/98 and 2007/08.

Table 2 Investment in transport, Great Britain: 1997/98-2007/08

	1997/98	1998/99	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	% change 1997/98 to 2007/08
Road infrastructure												
Public [1]	3,267	2,957	3,071	3,344	3,643	3,955	3,621	4,079	4,313	4,764	4,807	47.1%
Private	251	278	63	47	45	..	..	..	..	..		36.6%
Total	3,518	3,235	3,134	3,391	3,688	3,955	3,621	4,079	4,313	4,764	4,807	36.6%
Road vehicles [2]												
Cars and motor cycles: household	16,100	15,800	15,100	15,400	17,400	18,300	19,800	19,000	18,400	18,200	18,700	16.1%
Cars and motor cycles: other	17,900	18,600	18,900	17,600	18,900	19,500	20,500	21,800	23,600	23,000	24,000	34.1%
Cars and motor cycles: total	34,000	34,400	34,000	33,000	36,300	37,800	40,300	40,800	42,000	41,200	42,700	25.6%
Other vehicles	6,900	7,100	7,300	7,400	7,800	7,500	8,400	9,100	9,600	9,500	10,500	52.2%
Total	40,900	41,600	41,300	40,400	44,100	45,400	48,700	49,900	50,600	50,700	53,200	30.1%
Rail infrastructure [3]												
National Rail	1,430	1,823	2,012	2,404	3,148	3,756	4,722	3,543	3,237	3,766	4,134	189.1%
Other rail [4]	898	821	1,163	386	504	485	464	729	1,219	1,276	1,433	59.6%
Total	2,328	2,644	3,175	2,790	3,652	4,241	5,186	4,272	4,456	5,042	5,567	139.1%
Rail rolling stock [3]												
National Rail	114	176	236	554	922	566	774	897	557	326	401	251.8%
Other rail	82	85	84	75	75	75	177	165	169	123	104	27.1%
Total	196	261	320	629	997	641	951	1,064	726	449	505	157.9%
Ports infrastructure [3]	200	240	250	205	233	236	310	202	230	..	..	..
Airports												
Public [3,5]	216	140	161	163	57	71	70	62	116	..	..	..
Private [3]	565	542	511	566	630	784	1,373	1,434	1,662	..	..	..
Total	781	682	673	729	687	854	1,443	1,495	1,779	..	..	..

Investment in road infrastructure includes all 'patching' but excludes local authority capital expenditure on car parks. Since 2002/03 it has not been possible to separately identify all the private expenditure from the total.
Source: Office for National Statistics
Partly based on figures for calendar years.
Figures for Eurotunnel unavailable for 2006/07
Prior to 2001/02 public airports investment includes air traffic control.

Source: Department for Transport, *Transport Statistics Great Britain 2009,* Table 1.14

4.2   Private financing for major projects

The Private Finance Initiative (PFI) was announced in the 1992 Autumn Statement with the aim of achieving closer partnerships between the public and private sectors. It was one of a range of policies introduced by the Conservative Government to increase the involvement of the private sector in the provision of public services. Following two reviews of the PFI by Sir Malcolm Bates, the Labour Government has actively continued to pursue the delivery of a wide range of public services through this means.

PFI entails transferring the risks associated with public service projects to the private sector in part or in full. Where a private sector contractor is judged best able to deal with risk, such as construction risk, then these responsibilities should be transferred to the private sector contractor. Where the private sector is deemed less able to manage the project's risks, such as whether demand will be high enough, then at least some of the responsibility must remain within the public sector. The PFI has meant that more capital projects have been undertaken for a given level of public expenditure and public service capital projects have been brought on stream earlier.[33] As banks are the main sources of funding for PFI, there is a question as to whether the fallout from the banking crisis might reduce the ability or the willingness of banks to lend money for such projects.

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[33]   further information on PFI generally can be found in HC Library Research Paper RP 03/79

The terminology can be confusing: the Treasury refers to PFI as a type of public private partnership (PPP); but the term PPP is also used to refer to specific arrangements for the financing and operation of parts of the London Underground and National Air Traffic Services (NATS).

There have been a number of PFI/PPP schemes in the transport sector since 1997 and a list of both signed projects and those in procurement is available on the Treasury website. A number of road schemes have been built with private money, such as the M6 Toll Road, further information on this is available in HC Library standard note SN/BT/442, *Toll roads*. Major rail projects have also been built with a combination of public and private money, such as the Channel Tunnel Rail Link. The planned Crossrail scheme is another example.

As stated above, the two most well-known transport PPP agreements are for the London Underground and NATS.

London Underground PPP

The Government announced its proposals for modernising London Underground by means of a PPP in 1998. The basic structure of the PPP was for the infrastructure to be leased to the private sector (infracos) under 25 to 30 year concessions with operations remaining with a publicly-owned body (opsco), formed by the restructuring of London Underground (LUL). The PPP contracts set out a performance-related incentive and penalty scheme to remunerate the infracos for the improvements they make to the network.[34] Improvements would be measured against a baseline of historic performance. The infracos would be paid for every "passenger hour of benefit" they create[35] and penalties would be incurred for performance that fell below the baseline levels. The infraco bids were submitted for a programme of improvements over a 30-year period. The 30-year period is sub-divided into four periods of seven and a half years.

In spring 2000, three bidding consortia were competing for each of the contracts. On 2 May 2001 the preferred bidders for the BCV and JNP lines (the 'deep tube' lines) were selected as Metronet[36] and Tube Lines[37] respectively. On 19 September 2001 Metronet was announced as the preferred bidder for the SSL (the 'sub-surface' lines).[38] The Government estimated that, under the PPP, Metronet and Tube Lines would realise over £16 billion of investment in the Underground over the following 15 years and the PPP would save an estimated £4 billion over the same period.[39]

Since July 2003 the PPP infracos have been working under contract to London Underground, which is directly accountable to the Mayor. The Mayor is responsible for all aspects of the day-to-day operation of the Tube, its trains and stations. He also has powers to review all aspects of the contracts at periodic intervals and to deliver changing performance requirements.

TfL publishes annual performance reviews of the PPP. The most recent review covers 2008-09, including the aftermath of the failure of Metronet in 2007.

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[34] NAO, *The financial analysis for the London Underground Public Private Partnerships* (session 2000-01), HC 54, 15 December 2000, para 47

[35] 'passenger hour benefits' are measured by improvements in journey times compared to the historic base line combined with the number of passengers who experience the savings

[36] as at January 2007 Metronet comprised WS Atkins, Balfour Beatty, Bombardier, Seeboard and Thames Water

[37] as at January 2007 Tube Lines comprised Amey, Bechtel and Ferrovial

[38] London Transport press notice, "Preferred bidder for Underground Sub-Surface Lines contract named today", 19 September 2001

[39] HC Deb 7 February 2002, cc1128-1130

Metronet operated the BCV and SSL infracos and its performance came in for heavy criticism.[40] In early June 2007 it was reported that Metronet had been refused access to its loan facilities by the banks; it was subsequently denied the full amount requested from the Arbiter to tide it over for twelve months and was consequently forced into PPP Administration on 18 July 2007.[41] On 23 May 2008 TfL announced that Metronet would leave administration and transfer to TfL on 27 May 2008.[42] Concerns have since been expressed about the future of the other infraco, Tube Lines.

Further details on the LU PPP can be found in HC Library standard note SN/BT/1746, *London Underground PPP.*

NATS PPP

National Air Traffic Services (NATS) carries out air traffic services involving air traffic control (ATC) and radio and navigational aids. NATS was created at the same time as the Directorate of Airspace Policy at the Civil Aviation Authority (CAA) in order to keep what had been the regulatory function of NATS apart from its service provision functions. The CAA was set up in 1972 as a statutory public body to regulate the civil aviation industry, and to guarantee the safety of those who work in it, and those who use its services. Its main task was to provide an air traffic control service before 2001 (this was by far the largest part of the Authority's work) it also regulates the UK airline and airport industries.

On 11 June 1998, the then Transport Minister, Dr Gavin Strang, announced plans for a new PPP for NATS. Dr Strang said that the Government would consult on the implementation of its 'decision in principle' and would then bring forward the necessary legislation.[43] In July 1999 the Government announced its intention to proceed with a PPP for NATS. The main element of the proposal was that the Government would retain a 49 per cent stake in NATS, while NATS staff would have a five per cent share. A private sector partner would take the remaining 46 per cent of the company in a trade sale. The Government would hold a 'golden share' and would have statutory powers to direct NATS in case of war or national emergency.[44]

The *Transport Act 2000* gained Royal Assent on 30 November 2000. Under section 43 of the 2000 Act the Secretary of State was empowered to give the CAA a direction requiring it to make a transfer scheme. Transfer schemes are the means by which shares in the air traffic services provider were transferred out of the CAA's ownership and into Crown ownership, in readiness for partial sale. On 27 March 2001 it was announced that the Airline Group had been chosen to be the Government's strategic partner in the PPP and would sign contracts with the Government subject to completion later in the year.[45] Each of the seven airlines making up the Airline Group (British Airways, bmi British Midland, Virgin Atlantic, Thomsonfly, Monarch, easyJet and My Travel) would hold equal stakes of 14.29 per cent. The Government expected to receive around £800 million from the deal after the payment of outstanding public debt of some £330 million, the repayment of new debt and a further cash payment. The Airline Group took control of NATS on 26 July 2001.[46]

Since the introduction of the PPP NATS has become profit-making, converting an £80 million loss before tax in 2000-02 to a £67 million profit before tax in 2007/08. It assets increased

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[40] see, e.g., London Assembly Transport Committee, *A tale of two infracos*, January 2007, p4
[41] Metronet press notice, "Metronet BCV & SSL of into PPP administration", 18 July 2007
[42] TfL press notice, "Court sets date for Metronet's transfer to TfL", 23 May 2008
[43] HC Deb 11 June 1998, c637W
[44] HC Deb 27 July 1999, cc121-133
[45] DETR press notice, "NATS PPP: Deal agreed", 27 March 2001
[46] NATS press notice, "Safety and investment key to NATS' future says Airline Group", 27 July 2001

over the same period from £81 million to £666 million. NATS was making a modest profit (for the Government) prior to the PPP (£31 million in 1999).[47]

In 2009 the Government published its asset portfolio which set out its future plans for a number of Government-run and –owned entities, including NATS. This highlighted the fact that from the middle of 2010 it will be possible for the companies currently invested in NATS as part of the PPP to begin selling their shares in the company.[48]

Further details on the NATS PPP can be found in HC Library standard note SN/BT/1309, *National Air Traffic Services PPP*.

5   Some transport policy issues in 2010

Below is an attempt to give an overview of a handful of the key current themes in UK transport policy making. Section 5.1 deals with the wider context of aiding economic growth while managing the adverse impacts of transport on the environment while the remaining sections in Part 5 deal with more particular issues related to the main theme like road charges, trains and buses, and airport expansion.

5.1   Economic growth and environmental protection

There is a long-standing debate about the continued growth and/or intensification of use of transport networks – particularly roads and aviation – versus the quality of both the domestic and global environment. This section of the paper looks at how the debates, particularly insofar as they have influenced Government policy, have developed over recent years. However, it is also important to note that there are different opinions on the breadth and the specifics of the environmental challenges facing us. For example, whilst Government policy on climate change is clear (i.e. that climate change poses a grave threat that demands serious, concerted action by the whole world)[49] there are those that question the extent of climate change, or question its causes and likely effects.[50] There are also disagreements about how best to respond to climate change and environmental pollution. For example, there are those who believe that ultimately technology and scientific innovation will produce mass market hydrogen- and electric-fuelled vehicles which will enable people to continue using private cars as they do now but without the associated pollution.[51]

Indeed, in 2008-09 the Committee on Climate Change published a number of reports which included assessments of how transport emissions could be reduced. The December 2008 report on the low carbon economy focused on the introduction of new technologies to cut emissions, particularly in the road sector.[52] In December 2009 the Committee published a report on aviation which stated that there is potential for aviation demand to increase while still meeting the Government's emissions target and, further, higher increases might be

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[47]   Environment, Transport and Regional Affairs Committee, *The Proposed Public-Private Partnership for National Air Traffic Services Limited* (third Report of session 1999-2000), HC-35, February 2000, ev. PPP05A

[48]   HM Government, *Operational Efficiency Programme: Asset Portfolio*, 2009, pp30-34

[49]   the UK's policy is set out in detail in: DECC, *The UK's Fifth National Communication under the United Nations Framework Convention On Climate Change*, 2009

[50]   see, e.g.: Nigel Lawson, *Appeal to Reason* (2009); and Ian Pilmer, *Heaven and Earth: Global Warming — The Missing Science* (2009)

[51]   see, e.g.: "Inside the Future of Electric Cars, Hydrogen and Next-Gen Biofuels", *Popular Mechanics*, September 2008; the U.S. Department of Energy Vehicle Technologies Program and the UK Low Carbon Vehicle Partnership; also the Transport Committee conducted an early survey of this emerging sector back in 2004, see: Transport Committee, *Cars of the future* (seventeenth report of session 2003-04), HC 319, 8 November 2004

[52]   CCC, *Building a low-carbon economy – The UK's contribution to tackling climate change: The First Report of the Committee on Climate Change*, December 2008, executive summary, p4

possible if technological progress and the development of sustainable biofuels were more rapid than currently envisaged.[53]

Even if technological innovations do, for all intents and purposes, eliminate pollution from road transport, the question of private car usage will continue to be an intractable one for decades to come. At present, while private cars continue to pollute as well as cause other side effects such as congestion, a lot of the debate about modal shift has been about the environmental benefits of switching to foot, bicycle or train. If the pollution from private vehicles were to be nullified there would still remain the question of other 'externalities' that private motoring causes – such as congestion. It could be that public transport would be a much harder 'sell' at that point – it is often overcrowded, it would likely be using more polluting fuel, and it would continue to suffer from its perennial problem of not being a 'private' mode of transport. As the chart below shows, since the mid 1950s the growth of the private motor car has outstripped public transport use by a long margin, despite the fiscal and political focus on promoting buses, trains and light rail:

Percentage of passenger transport journeys made by mode, Great Britain 1952 to 2007
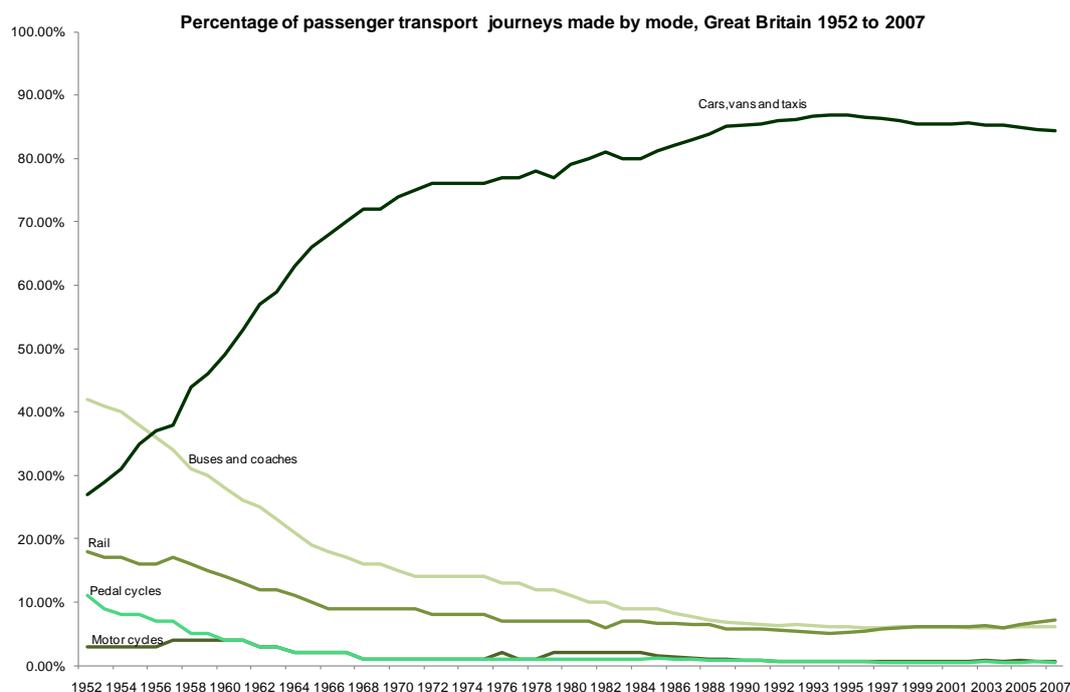
So where do we stand now, in 2010? While accepting that people have to travel, for some years now Governments and assorted pressure groups have been attempting to encourage people to use those forms of transport that have less of an impact in terms of emissions and pollution, such as walking and cycling, rail and – for the movement of freight – inland waterways and short sea shipping. There has also been a shift in policy making away from the so-called 'predict and provide model' towards an attempt at a more efficient management of the infrastructure than we currently have. The question now is how the contribution that transport systems and the industries that they support make to the economy can be properly balanced against their environmental impacts.

On the general principle, in 1994 the Royal Commission on Environmental Pollution published a report on transport and the environment. The report acknowledged that: "an effective transport system is vital for economic well-being and the quality of life", but cautioned that:

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[53] CCC, *Meeting the UK Aviation target – options for reducing emissions to 2050*, December 2009, executive summary, p2

There is widespread concern that continuing growth of transport (especially road and air traffic) will be damaging to the environment, to health and to the efficient functioning of the economy. The challenge we have faced is to propose ways in which the longer-term development of transport can be made environmentally sustainable. That means providing the access people want for continued economic growth, for their livelihoods and for leisure, but eliminating the many forms of damage which are already all too apparent.

 [...] Of particular concern has been the use of land for transport infrastructure and the resulting loss of amenity and conservation value. A broader cause of concern is that land use policies and planning permissions have until recently assumed that people will travel increasing distances by car. A sustainable transport policy will require a thoroughgoing integration of transport (in all its modes) and land use policies, at national, regional and local levels.

Our economic analysis of the environmental costs of different aspects of transport has led us to recommend measures to increase over time the cost of private transport. We recommend a balancing package of investment to increase the capacity, convenience and reliability of public transport, which is environmentally less damaging. The result of these measures should be improved access and a better quality of life both in towns and cities (where cars and lorries need to be restricted in order to improve the quality of life) and outside urban areas (where minimising further landtake is paramount). Similar measures are recommended to encourage the transfer of freight to environmentally less damaging modes.[54]

A little over a decade later, in 2006, Sir Rod Eddington published his study on the long-term impact of transport decisions on the UK's productivity, stability and growth. The study was also directed to take into account the main relationships between social and environmental concerns and transport's economic drivers. His conclusions were not greatly different to those reached in the 1994 report and served to illustrate that the same concerns still remain for transport policy makers when trying to balance economic growth with environmental protection. In his 'advice to Government', Sir Rod said:

Alongside ... changes in the global economy, environmental damage will increasingly have economic consequences. A series of important studies, culminating in the publication of Sir Nicholas Stern's Review in October 2006, have provided compelling evidence of the adverse impact that climate change will have on economic growth unless there is urgent, global action. I firmly believe that the world needs to face up to the reality of climate change, and that implies learning to live with a carbon-constrained future.

As transport contributes around a quarter of UK emissions and is the fastest rising source of carbon emissions within the economy in the near term, addressing the challenge of climate change has important implications for any long-term transport strategy. I support Stern's conclusion that urgent action is needed, through pricing, technology and innovation policy, and promoting behavioural change, to influence the behaviours and consumption choices of society. This will include the type and quantity of travel that the economy and society will choose to undertake. And as the UK contributes just 2 per cent of global emissions, it is obvious that some of the most effective policy responses will be international in nature.

The Stern Review shows that setting a price for carbon will be one of the most effective ways of bringing about a low-carbon economy ... Such prices ensure that people feel the consequences of their decisions and encourages them to change their behaviours.

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[54]   RCEP, *Transport and the Environment*, Cm 2674, October 1994, preface

For example, widespread trading mechanisms could allow carbon reductions to be achieved cost-effectively by 'buying' carbon reductions from the cheapest sources. To deliver the most effective actions will require global cooperation and national governments should start to plan for the impact of carbon prices on future transport needs.

I have long argued that all users, including air travellers, should pay the full costs of their travel, whether those are the costs of congestion or environmental damage ... I have applied the same economic principles in my work, to inform my advice on managing congestion, namely to price externalities such that users bear the full costs of their journeys. The analysis includes evidence on the potential impacts of carbon pricing on transport demand when assessing the case for new infrastructure, and whilst uncertainties remain, the evidence suggests that the case for investment can be robust to such pricing.[55]

In terms of policy, going back to the late 1970s and early 1980s there were a number of inquiries into and reports published on the economic and environmental impacts of the road haulage industry.[56] The 1979 Conservative Government published its first transport white paper – focusing on roads – in June 1980. This set out to "strike a balance" on roads policy, arguing that new road schemes could bring environmental benefits as well as economic advantages – such as taking heavy lorries around cities, towns and villages, and freeing people from noise, disturbance and other traffic dangers when "confined to inadequate roads". It went on to state:

... we intend to stabilise trunk road spending at a level the nation should be able to afford. Within this programme there are three major priorities:

First roads which aid economic recovery and development [...]

Second roads which bring environmental benefit.

There are still too many towns and villages choked by heavy traffic. Many of the worst problems are on the main industrial routes and routes to ports. Stratford-upon-Avon, Ipswich and Chelmsford, for example, will all benefit from new schemes on these routes. The M25 itself will relieve more towns and villages on the outskirts of London. But there are also serious problems on a number of other routes. We have, therefore, decided to fit as many bypasses into the programme as possible. These will include bypasses of historic towns like Berwick, Lincoln and Ely, as well as other towns like Bere Regis and Okehampton.

Third preserving the investment already made [...][57]

In 1985 the Conservative Government published its airports policy white paper. This balanced its commitment to mitigate "as far as practicable the effects of aircraft noise and other forms of disturbance" against its recognition that "an airport also creates employment which will give rise to a demand for additional housing and other facilities and services. The beneficial consequences of such development are likely to be widespread". The paper went on to suggest that environmental protections – such as conservation of the green belt and

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[55] *The Eddington Transport Study - The case for action: Sir Rod Eddington's advice to Government*, November 2006, paras 1.41-1.44; a summary of the implications of the Stern Review for transport can be found in figure 1.8 of the main report

[56] a summary of issues affecting the road haulage industry can be found in HC Library research paper RP 08/68, *The Road Haulage Industry: costs & taxes*

[57] DoT, *Policy for roads: England 1980*, Cmnd. 7908, June 1980, pp1-2

the countryside and the preservation of historic buildings – could be secured through the planning process.[58]

A rail white paper was published in 1992. This acknowledged the "substantial strengths" of the railways, including their cost efficiency for long distance and freight journeys, that "they can be energy efficient" and "they often cause less environmental damage than road transport". This was the paper that set out the proposals to privatise the railways; one of the priorities for the privatisation was to: "... continue developing the environmental benefits of rail and to maintain its existing high environmental standards".[59]

Some of these ideas about transport and environmental matters have remained unchanged – the focus on the environmental benefits of rail and the need to mitigate the worst effects of airport development, for example – but there has been a change of emphasis in other areas, particularly roads policy. This was evident by the time Labour came to office in 1997. Labour's first transport white paper, published in July 1998, was heavily focused on behaviour change – in contrast to the Conservative approach in 1979 which chose to focus on increasing and improving infrastructure 'to aid national economic recovery'. It is important to point out that even here there are different political emphases on 'infrastructure' and what constitutes 'improvements'. For the Conservative Government this largely meant more roads, airport growth and ultimately the introduction of private management of transport infrastructure – in airports, ports, rail, buses and some roads. For Labour it meant improving the *public transport* infrastructure as a priority – by increasing spending on rail, buses, and light rail; though they have also continued to spend on road schemes (as highlighted in Table 2 in section 4.1, above).

Labour's focus on behaviour change was aimed at improving the general economy and environment, but, more specifically, on what it called 'quality of life'. The 1998 white paper stated that:

> Our quality of life depends on transport ... But ... the way we travel is damaging our towns and cities and harming our countryside. As demand for transport grows, we are even changing the very climate of our planet. Cars in particular have revolutionised the way we live ... But the way we are *using* our cars has a price - for our health, for the economy and for the environment.
>
> ... People want the existing transport system to work better. They want more choice and a new emphasis on protecting the environment and their health. Simply building more and more roads is not the answer to traffic growth. 'Predict and provide' didn't work. Privatisation and deregulation of public transport were key features of the last decade. But they failed the passenger because they fragmented public transport networks and ignored the public interest. This is why we promised an integrated transport policy to fight congestion and pollution.[60]

The paper went on to set out the Government's environmental agenda for transport:

> We want to see greener, cleaner vehicles that have less impact on our environment. We want to see better public transport and we will make it easier to walk and cycle. But these alone will not be sufficient to tackle the congestion and pollution that is caused by road traffic: we need to reduce the rate of road traffic growth. We also want to see

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[58] DoT, *Airports policy*, Cmnd. 9542, June 1985, pp2-3
[59] DoT, *New opportunities for the railways: the privatisation of British Rail*, Cm 2010, July 1992, pp2-3; more information on rail privatisation as a policy can be found in HC Library standard note SN/BT/1157, *Railways: privatisation, 1987-1996*
[60] DETR, *A new deal for transport: better for everyone*, Cm 3950, July 1998, paras 1.1-1.4

an absolute reduction in traffic in those places and streets where its environmental damage is worst.[61]

In practice, this meant a 'carrot and stick' approach to transport policy: increased spending on and more public control of public transport to encourage people to take the bus or the train instead of the car, coupled with parking restrictions and urban road charging to properly price the cost of pollution and congestion. That is not, however, how things worked out in practice. Although the *Transport Act 2000*, that implemented the 1998 white paper, legislated for road charges, workplace parking levies, and more local authority control of bus services, much of this has never been used in practice.[62] Thus, a decade later, the Government's main transport policy documents remain focused on reducing emissions, primarily from road-going vehicles, but also from aviation; mitigating environmental impacts and on encouraging more sustainable forms of transportation. The Government has also tried to give some of its transport-related taxes a more environmental focus – encouraging people to buy less polluting vehicles, for example.

Further reading: The appendix includes references to books and articles on the relationship between the economy and the environment in terms of transport issues.

5.2 Congestion, traffic management and charging for road use

Congestion is an irritant to individual drivers and a cost to businesses. It also causes broader environmental and economic problems, as Rod Eddington explained in his December 2006 report:

> ... economic success resulting in higher incomes and a rising population are expected to generate greater demands for travel for both work and non-work/leisure purposes. This is turn can create congestion and reliability problems on the transport network: increasing costs on business and damaging quality of life.
>
> [...] As an illustration of the potential costs to the UK economy, it is estimated by DfT's National Transport Model that eliminating existing congestion on the road network (relative to free flow conditions) would be worth some £7-8 billion of GDP per annum. Although it is not realistic or cost-effective to eliminate congestion completely, this figure does illustrate that the cost of not responding to transport pressures can be substantial.
>
> Growing congestion on the network is a clear indication of increasing transport demand outpacing transport supply. This may suggest that either the pricing structures on different parts of the network are not working effectively and/or there is a case for investment, provided that the costs of relieving such congestion are reasonable. This will have an impact on both GDP and quality of life.[63]

There are a number of ways that congestion can be tackled, but they all amount to the same thing – reducing private car usage either completely or at particular times and then better managing those vehicles that remain. One of the ways that successive governments have tried to persuade people to 'leave their cars at home' is by improving public transport alternatives; this is explored further in the following section. If that is the 'carrot', the 'stick' involves making it less convenient, or more costly, to use a car. This usually amounts to charging for the use of the road, increasing road- or vehicle-related taxes and limiting or charging a high price for parking facilities.

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[61] ibid., para 1.35

[62] local road charges have only been introduced in London and on a small scale in Durham; a workplace parking levy is due to come into force in Nottingham in the next few years, but no others exist, and bus 'quality contracts' have never been used

[63] *The Eddington Transport Study (Vol. 1)*, December 2006, paras 1& 1.25-1.26

However, car drivers are notoriously reluctant to give up using their cars, even if the cost of using it is more than the public transport alternative, largely because the greater convenience outweighs the cost. In theory, the point that policy makers aim for is that at which the cost and inconvenience of driving a car are substantially more than either staying at home (which, in any case, is not always a viable option) or switching to public transport. This can be done through taxes and charges on the one hand and traffic management on the other (via road layouts, speed limits etc.). In the real world, however, it has proven politically difficult to implement road charging proposals. It has been tried in a few places – such as London, and Durham and a form of workplace parking charge is on the way in Nottingham – but people have been shown to be consistently unlikely to vote in favour of it (as has been the case in Manchester and London). This is because, put simply, car drivers make up a large constituency of voters and they do not want to have to pay more to use the roads. Indeed, a recent survey by Parker's motoring organisation found that 84% of respondents felt that road tax issues may influence their voting intention at the next General Election.[64]

The Labour Government legislated to permit road charging schemes on strategic roads and in local areas in 2000, but the take up of this opportunity has been very small, despite financial inducements from the Government. The 1998 white paper which announced that legislative intention illustrates the difficulty politicians face in this area. On the one hand, congestion is a serious problem, not just environmentally but economically, it is irritating to drivers and it has a detrimental impact on their quality of life – no one likes being stuck in a traffic jam for 40 minutes a day. On the other hand, no party that wants to be elected to office can risk being seen as 'anti-motorist' or as wanting to 'drive people off the road'.[65] There is also the revenue aspect: taxes and charges on road users raise a lot of money; the danger with road charges is that they would be actually be successful in their policy intent (i.e. reducing car journeys), causing revenues to fall. The evidence from London is that there has been a decrease in the number of vehicles entering the congestion zone but that the level of congestion is about the same as it was when the charge was introduced in 2003, though Transport for London argues that things would be worse without the charge.[66]

Once the planners or politicians have decided on a strategy for reducing the number of cars on the road (at least during specific periods), they still have to manage those that remain, and at particular times of day this will continue to be a challenge. Responsibility for road management is shared between the Highway Agency and local authorities.

While the Highways Agency (on behalf of the Secretary of State for Transport) is responsible for managing the major road network, most of the roads in the UK are managed by local highway authorities (usually county or unitary councils). Highway authorities have network management duties and the power to introduce any number of mechanisms to the road network to improve and smooth traffic flow. On the motorways, the Highways Agency is currently engaged in active traffic management (ATM), which means essentially opening up the hard shoulder to drivers during busy periods. There was a trial between junctions 3A and 7 of the M42 in 2006-07 which was judged to be enough of a success that the scheme should be extended to other motorways such as parts of the motorway box around Birmingham; sections of the M6 and M40; and other sections of the M42. This began in late 2008 with the intention that all schemes would be in place by spring 2011.[67]

Further reading: A number of HC Library notes on various aspects of road charging and pricing are available via the Roads topical page of the Parliament website.

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[64]   Parker's Online, *Road Tax and the cost of fuel WILL be issues at the next election,* November 2008
[65]   see, e.g.: "Motorists' Issues Affect Local Election Voting", *Insurancewide.Com*, 3 June 2009; and: Manchester Congestion Charge – Pledge Bank, 2007-08
[66]   TfL, *Central London Congestion Charging: Impacts monitoring Sixth Annual Report*, July 2008, pp3&8
[67]   DfT, *Britain's Transport Infrastructure Motorways and Major Trunk Roads*, January 2009, paras 16-17

5.3   Public transport

It is generally held that travelling by public transport, such as buses, trains and trams, is better for the environment than using a private car. Public transport – particularly older road-going vehicles and diesel-powered trains – do pollute, but because of the nature of mass transportation, they are held to generally be relatively 'green'. Over the past decade, the use of public transport – particularly trains – has increased to a greater extent than growth in the use of the private car. Between 1998 and 2008 the number of passenger kilometres made by train in Great Britain increased by 17%; from 44 billion passenger kilometres (bpkm) to 51 bpkm. Over the same period bus journeys increased by 11% from 45 bpkm to 50bpkm and car journeys increased by 7% from 636 bpkm to 679 bpkm. Although the increase in bus journeys observed since 1997 is the first increase observed since 1952, the growth in bus use has been driven by a specific part of the market and has been focused in limited areas. For example London is the only Government Office Region where the reported level of passengers using the bus as their main mode of transport to work increased between 1998 and 2008 (from 10% to 14%).[68]

When asked for their views of public transport, private car drivers who never or only rarely use it tend to have a negative opinion. The 2009 DfT-sponsored survey of *Public Experiences and Attitudes Towards Bus Travel* found that the most common reasons given for not using buses were that car journeys were more convenient and took less time.[69] A similar survey examining attitudes to rail travel also found that the convenience of car journeys was the main reason given by non-users of rail transport for their reluctance to travel by train.[70]

Despite improvements in public transport, the switch from private cars to public transport has been limited. A significant amount of legislative effort and public money has gone into reforming the railways and into bus services (less has been spent on light rail and trams). In its 1998 white paper, Labour argued that:

> Increasingly, people do not have real choices. For many people using a car is now no longer a choice but a necessity. Nowhere is this clearer than in the rural communities with no daily bus service. For those who rely on public transport it is all too often inadequate, suffering from declining standards and services. And as motoring costs fell in real terms, bus and rail fares have gone up.
>
> [...] In Britain, we have fewer cars but our cars do more mileage and we use public transport less than in most other countries in the European Union. It is not surprising that our roads are among the most congested. But it doesn't have to be like this.[71]

Labour's strategy for remedying the problem, at least as far as buses and trains were concerned, was to give local authorities more powers over bus services and strategic authorities more say in rail operations. This is, again, one of the policy differences between Labour and the previous Conservative Government. The Conservatives in the 1980s and early 1990s were very strongly in favour of bringing private investment and management into public transport. They argued that this would improve the passenger experience by making buses and trains more efficient. The basic argument was set out by the Conservatives when proposing the deregulation of the bus industry in the mid-1980s. The 1984 buses white paper said:

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[68] DfT, *Transport Statistics Great Britain* **(1999 Table 1.7, 2009, Table 1.8)**
[69] DfT, *Public Experiences and Attitudes Towards Bus Travel*, 2009
[70] DfT, *Public Experiences and Attitudes Towards Rail Travel*, 2006
[71] op cit., *A new deal for transport: better for everyone*, paras 1.12-1.15

> For 50 years from 1930 to 1980 local bus services were subject to a highly restrictive licensing system. Within this system the belief grew up that the way to provide comprehensive public transport is to protect the existing operators so that their profits from popular routes can cross-subsidise services for which there is less demand. The result of these worthy intentions has been to maintain a pattern of services developed for a different age and to neglect the best parts of the market. There has been too little incentive to develop markets, to woo the customer. Operators have been hampered by a philosophy that is defensive and inward-looking.

> [...] There is good evidence that services could be improved and costs reduced if we went about it in a different way. Without the dead hand of restrictive regulation fares could be reduced now on many bus routes and the operator would still make a profit. New and better services would be provided. More people would travel. This is not idle speculation. In 1980 the Government removed regulation from the long-distance coach services. As a result fares have come down, new services have been provided, the number of people travelling has gone up, new vehicles with greater comfort compete for custom. Competition has done all this – and the customer is the beneficiary.

> If the customer has the final say, bus operators will look keenly to see where and when people want to travel. If one operator fails to provide a service that is wanted, another will.[72]

In contrast, Labour argued that private sector management was not always in the passenger interest and sought to re-establish some local authority control of bus services by allowing local authorities to enter into statutory partnerships or contracts with private bus operators. These would enable them to specify routes and services. Labour also proposed restoring some of the powers of the traffic commissioners to regulate the activities of the private operators.

Further information on bus policy can be found on the Buses subject page of the Parliament website.

However, as indicated above, whether in public ownership, deregulated or re-regulated, and except for very specific groups of people who are entitled to subsidised travel and in heavily populated areas, such as London, the bus industry is declining. This may be because of how the bus is perceived as a mode of transport, and it is not likely to attract car driving commuters who would likely be looking at making longer journeys than those covered by the average bus route. In this, the train has proven more successful.

As indicated above, the Conservatives sought to attract private finance and management into the railways and to open up both passenger and freight services to competition, eliminating what they saw as the wasteful and inefficient British Rail model. Rail privatisation provoked strong reactions at the time and has continued to divide politicians ever since, though a broad compromise between the two main parties appears to have been reached consisting of private franchise operators regulated by the state. Of course, significant differences remain about the specifics of franchise letting, infrastructure management and the extent of the regulation involved. However, the main way in which Labour has sought to make rail a more attractive proposition has been by upgrading infrastructure and committing to the construction of new infrastructure projects:

- The **Channel Tunnel Rail Link (CTRL)**, legislated for under the previous Conservative Government, was completed and opened under Labour, while the

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[72] DoT, *Buses*, Cmnd 9300, July 1984, paras 1.4-1.6; the Conservatives made a similar case for rail privatisation in the 1992 white paper

financing for the project was completely restructured in the late 1990s by the then Deputy Prime Minister, John Prescott. Domestic high speed services in the South East, utilising the CTRL line began in December 2009. Further details can be found in HC Library standard note SN/BT/267, *Channel Tunnel Rail Link (HS1)*.

- The upgrade of the **West Coast Main Line (WCML)**, initiated by the previous Conservative Government, was completed under Labour. However, there were delays in completing the project and it ended up costing considerably more than the original estimate. The franchise agreement with Virgin Trains along the West Coast route was reinstated in 2006 and a new timetable came into operation in 2008. More details on the Virgin West Coast franchise can be found on the DfT website; background on the WCML project can be found in HC Library Standard Note SN/BT/364, *West Coast Main Line (WCML)*.

- **Crossrail**, the plan to integrate the mainline railways to the east and west of London through the construction of two tunnels beneath central London from Paddington to Liverpool Street, was legislated for in 2008 following years of aborted attempts to get the project off the ground. The expected cost of the scheme is approximately £16 billion and it is expected to begin operation in 2017. The first construction work on the scheme began in May 2009 with the foundations for Canary Wharf Station. Further details can be found in HC Library standard note SN/BT/876, *Railways: Crossrail*.

- The **Thameslink** project, to electrify the current route through central London, provide new signalling and expand new track works, was begun under the previous Conservative Government. Work has continued under Labour. However, the scheme was supposed to be completed in 2000 and remains unfinished. It is projected to cost approximately £5.5 billion and be fully completed by 2015. Further details of the infrastructure programme can be found in HC Library standard note SN/BT/1537, *Thameslink 2000*; and details of the rolling stock project can be found in HC Library standard note SN/BT/3146, *Railways: rolling stock*.

- A major **rail electrification** project was announced in July 2009. The Great Western Main Line between London, Reading, Oxford, Newbury, Bristol, Cardiff and Swansea and the line between Liverpool and Manchester will be the first priority routes; to be completed by 2017 and 2013 respectively. In total, this is expected to cost approximately £1.1 billion. Further information on the project can be found in a DfT policy document, *Britain's Transport Infrastructure: Rail Electrification*.

- A **new north-south high speed line** has been talked about for a long time. The Labour Government was initially cool on the idea but has since thrown its support behind such a project – after the idea had received support from the Conservatives and the Liberal Democrats. In mid-March 2010 the Government published a White Paper outlining its proposals for a new high speed line. Further details can be found in HC Library standard note SN/BT/316, *Railways: High Speed Rail*.

5.4 Domestic and short haul aviation

The expansion of the UK's airports has long been one of the most contentious areas of transport policy and remains so. In recent years the main arena of dispute has been London Heathrow where the airport's owners, BAA, have stated that they intend to apply for permission to build a third runway and a sixth terminal. BAA have also applied for permission to build a second runway at Stansted and, following the sale of Gatwick in October 2009, it is likely that the airport's new owners will want to expand the airport either after 2019 when the current development restriction expires or before then, by challenging the restriction in court.

There are other issues at regional airports across the UK, all fiercely opposed by environmental campaigners and many local residents.

While 'predict and provide' has fallen out of favour with transport planners, there seems little doubt that the expansion of airport capacity in the UK is being driven by predictions of passenger growth – else, why bother? Demand growth at UK airports is projected to rise from 260 mppa (million passengers per annum) in 2010 to 355 mppa in 2020 and 455 mppa in 2030.[73] Evidence from the 1990s would indicate that the recession is unlikely to have any long term negative effect on these projections.[74]

The projected upward trend in passenger numbers does, however, mask the changing profile of the air passenger. The recent reduction in passenger numbers is largely attributable to fewer passengers on UK domestic flights and flights to Europe and North America; passenger numbers fell by around 7-8% of these forms of flights in the year ending Q3 of 2009. Long haul flights to the "Rest of the World" increased by 4% over the same period.[75] Although environmental campaigners are in principle against the growth of all air travel, the easiest target is domestic and short haul flights – because they could relatively easily be substituted by other means such as high speed rail and are already in decline.

One of the reasons for these changes in passenger numbers may be the knock-on impact of the EU-US Open Skies Agreement. Signed in 2007, the Agreement opened up of national markets within the EU to all EU carriers – e,g. permitting Air France, KLM etc. to operate trans-Atlantic services direct from the UK, rather than having to begin in their own country, as was then the case. This has had the consequence of increasing competition for trans-Atlantic slots from Heathrow – the main hub for these types of routes. This has led to some airlines either selling their domestic or short haul slots at Heathrow to trans-Atlantic carriers or transferring trans-Atlantic services from other airports such as Manchester and Gatwick to Heathrow. This has cut the number of available slots for regional and short haul flights into Heathrow and reduced services from regional airports. The Transport Select Committee examined these issues in its December 2009 report into the future of aviation.[76] More information on Open Skies can be found in HC Library standard note SN/BT/455, *Aviation: Open Skies*.

All that aside, airport operators appear convinced from their business plans and passenger projections that aviation is still a growth industry and it seems unlikely that the recession will permanently retard their desire for expansion. It is another policy area where politicians – locally and nationally – who are ultimately responsible for giving or withholding planning permission for these expansions, must weight the environmental and the economic cases and judge accordingly.[77] The Labour Government's 2003 white paper, which remains the guiding policy document in this area, sought to maintain the historical, if uncomfortable compromise, of both encouraging expansion to meet forecasted growth and aid the economy

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[73] this is 'constrained demand growth', found by feeding unconstrained demand forecasts into the National Air Passenger Allocation Model, accounting for airport capacity constraints proposed in the 2003 white paper (i.e. extra runway at Stansted in 2015, and at Heathrow in 2020); unconstrained demand is higher (see: DfT, *UK Air Passenger Demand and CO2 Forecasts*, January 2009, tables 2.9 and 2.11)

[74] while there has been a slight dip in passenger numbers because of the recession, a similar decline occurred during the recession in the early 1990s and numbers quickly recovered; the CAA's statistics for Q3 of 2009 indicated that although the year-on-year contraction in passenger numbers continued in Q3 2009, with a 6% reduction, the pace of contraction was smaller in Q 3 2009 than in the previous three quarters (see: CAA, *Aviation Trends Quarter 3 2009*)

[75] ibid.

[76] Transport Committee, *The future of aviation* (first report of session 2009-10), HC 125, 7 December 2009, paras 35-53

[77] under the *Planning Act 2008* decisions on major infrastructure proposals will be taken by the independent Infrastructure Planning Commission (IPC); the Conservatives have said they will return that final say to elected politicians; for more information see HC Library standard note SN/SC/5041

and ensuring that environmental safeguards are in place to limit carbon emissions and preserve the quality of life of local residents.

Heathrow is the most obvious example where this compromise has been forced to face reality: the Government is convinced that a third runway and a sixth terminal could go ahead without breaching international environmental commitments. On the other hand there is a large body of work from environmental groups which disagrees with this view. Ultimately, if BAA submit a planning application, it will be for the Government of the day to decide its fate, based on its economic and environmental priorities. Further information on Heathrow can be found in HC Library research paper RP 09/11, *Expansion of Heathrow Airport*.

6   What are the transport policies of the main political parties?

(NB parties listed in alphabetical order)

6.1   Conservative Party

The Conservatives have made their views known in a number of transport policy areas and they have published a policy paper on rail. An overview of what they have publicly announced is provided below:

- **Generally** – decentralisation to encourage local authorities to "innovate and try out new ways to make traffic flow more smoothly"; transparency (e.g. on motorway clear up times and traffic light criteria); and accountability (e.g. on road works).[78] The Conservatives would also radically overhaul the regional planning and funding process by scrapping: the system of regional strategies that identify transport and spatial development policies across England (outside London); the Infrastructure Planning Commission, which the Government recently established to take decisions on major transport and other infrastructure projects; and the Community Infrastructure Levy system of developer funding for transport and other infrastructure that the Government plans to introduce in April.[79] The Conservatives would also reform the New Approach to Appraisal (NATA) process used to assess transport projects.[80]

- **Rail** – reforming Network Rail to make it more accountable to passengers and train operators; a high speed rail line to at least the north of England; ending Whitehall 'meddling' and micro-management in areas such as timetabling and the purchasing of new rolling stock; better co-operation between the management of track and train; longer, better rail franchises; promoting innovation in delivering rail improvements by allowing bodies other than Network Rail to undertake small scale enhancements; and a moratorium on building on disused rail paths.[81] The Conservatives also support Crossrail.[82]

- **Roads and traffic** – making better use of road capacity and building new roads; providing "an improved public transport system"; a national recharging network for electric and plug-in hybrid vehicles; lorry road user charging to "ensure that overseas trucks who use our roads contribute towards the cost of their maintenance"; scrapping the Transport Innovation Fund and converting it into a Transport Carbon Reduction Fund for local green travel initiatives. Giving pedestrians and cyclists the right to a say

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[78] Theresa Villiers speech to Conservative Party Conference, 6 October 2009

[79] for details, see: Conservative Party, *Open source planning green paper*, February 2010

[80] "Villiers sets sights on making transport changes big and small", *Local Transport Today*, 5 March 2010, LTT 540

[81] for details, see: Conservative Party, *Conservative rail review: getting the best for passengers*, February 2009

[82] Crossrail was specifically mentioned in George Osborne's economic strategy report, see: Conservative Party, *A new economic model: eight benchmarks for Britain*, February 2010

on new traffic lights; bigger fines for road work overruns and pilot line rental schemes that would make utilities pay to rent the road space they dig up. A Conservative government would also "put the cowboy clampers out of business" and would not fund any new fixed speed cameras.[83] The Conservatives would consider tolls on new roads built by the private sector; they have committed to repealing the legislation on Quality Bus Contracts but will not repeal the legislation on the Workplace Parking Levy, leaving the matter to individual local authorities.[84]

- **Aviation** – no third runway at Heathrow; a focus on making Heathrow "better not bigger" by breaking up BAA's monopoly in the south east and provide a high speed rail alternative to short haul flights at Heathrow, freeing up landing slots at the airport and helping to deal with overcrowding problems.[85]

In 2008 Boris Johnson was elected as the first Conservative Mayor of London. The main points of his transport manifesto are outlined in section IV of HC Library research paper RP 08/36, *Transport in London*. In November 2008 Mayor Johnson published a consultation document as a precursor to the formal consultation on his transport strategy, written in the Mayor's own inimitable style.[86] This was followed by a 'statement of intent' in May 2009 and a draft strategy for formal consultation in October 2009.[87] The final strategy will be published in Spring 2010. Once it has been published all London Boroughs will be required to revise their own Local Implementation Policies to take account of its contents.

In 2007 two of the Conservative Party's policy groups – on Quality of Life and Economic Competitiveness – published their final reports, including recommendations on transport; see: *Freeing Britain to Compete: equipping the UK for globalisation*, August 2007; and: *Blueprint for a Green Economy*, September 2007. In addition, a number of non-aligned think tanks with a conservative viewpoint have published transport policy documents since 2005, for example:

- The Bow Group, *The right track: delivering the Conservatives' vision for high speed rail*, January 2010;

- Reform, *Any time, any place, any way: New transport policy needed to proposal Britain out of recession*, August 2009;

- Conservative Way Forward, *Stop the war against drivers*, 2008; and

- Adam Smith Institute, *Privatization – Reviving the momentum*, April 2008

6.2 Labour Party

Labour's transport platform is clear from its actions in Government and one could take its most recent policy papers as an indication of where it would like to go in the future, were it to win a fourth term.[88] Labour's general transport philosophy – focusing on green transport – was outlined to Labour Conference in 2009 by Lord Adonis, the Transport Secretary.[89]

If it is re-elected in 2010 Labour is committed to delivering a "north-south high speed rail route" though in the first instance, its commitment is to a line between London and

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[83]   from the Conservative Party website and *op cit.,* Villiers' speech to Conference, 2009
[84]   op cit., "Villiers sets sights on making transport changes big and small"
[85]   from the Conservative Party website
[86]   Mayor of London, *Way to go* November 2008, pp24-26
[87]   Mayor of London, *The Mayor's transport strategy: public draft*, October 2009
[88]   the most recent transport strategy documents are available on the Department for Transport's website
[89]   Lord Adonis speech to Labour Party Conference, 28 September 2009

Birmingham. Labour's plans are set out in detail in its March 2010 White Paper. In addition, in September 2009 SERA, the Labour Environment Campaign, published 'Labour's case for high speed rail', including an introduction to the pamphlet by the Prime Minister.[90]

Labour has also stated that it would, in principle, be in favour of a third runway and a sixth terminal at London Heathrow Airport and that it generally supports "the sustainable growth of aviation". Labour has also said that it would spend £100 million to encourage a "mass market in electric and hybrid cars", and up to £30 million over the next two years to deliver several hundred low carbon buses. It also states on its website that it would "deliver over 1,300 new carriages for our rail network between now and 2014 – nearly 100,000 more train seats", though the negotiations for this contract have been postponed until after the election.[91]

6.3 Liberal Democrats

The Liberal Democrats have made their views known in a number of transport policy areas. An overview of what they have publicly announced is provided below:

- **Generally** – public transport improvements and high speed rail to be funded via a ring-fenced Future Transport Fund that would be raised via a lorry road user charge.

- **Rail** – a 'rail renaissance' created by reopening closed railway lines and new stations and building a high speed network to Scotland and the north of England; require train operators to accommodate bicycles on all new vehicles; at Conference 2009 the Party passed a policy motion calling for the abolition of the current rail franchising system.[92]

- **Roads and traffic** – local people to have a say on bus fares and routes in their area by reversing deregulation and allowing local authorities to introduce bus franchising (as in London); cut the number of lorries on the roads by introducing a distance-based lorry road user charge varied by emissions levels; in the long term, a revenue-neutral road pricing scheme on motorways and trunk roads which would be introduced while scrapping Vehicle Excise Duty and reducing fuel duty; a general policy of no new major road building schemes.

- **Aviation** – the aviation industry must cut emissions; no expansion at Heathrow, Stansted or Gatwick and no new airport in the Thames Estuary; replace Air Passenger Duty with a pollution charge on each flight; permit the auctioning and trading of airport landing slots.[93]

6.4 Plaid Cymru

In its manifesto for the 2008 European elections, Plaid set out its transport policy as follows:

> We will campaign for European funding to go towards building a modern public transport system for Wales, with cheaper and faster rail links between the south and the north, mid and west, as well as the removal of hidden subsidies for air travel and the introduction of tax on aviation fuel, dedicated bus lanes and trolley buses in cities and congestion charging where appropriate. We will support the improvement of

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[90] SERA, *Fast Forwards: Labour's case for High Speed Rail*, September 2009
[91] from the Labour Party website
[92] Liberal Democrat press notice, "Government must scrap rail franchise system says Norman Baker", 22 September 2009
[93] all of the above from the Liberal Democrat website; and *Liberal Democrat Policy: Green and reliable transport* [accessed March 2010]

commuter services from the valleys and major transport improvements throughout Wales.[94]

In addition, the Party's policy paper on sustainability indicated support for the following transport policies:

- road pricing in major urban areas via some form of ticket or licence;

- a general principle that accessibility by public transport is a major criterion taken into account when deciding whether to give planning permission to proposed new shopping centres, industrial estates, and leisure facilities;

- maintain facilities in market towns and existing in-town shopping centres to reduce demand for additional transport;

- a "Proximity Principle" whereby if goods of the same type can be supplied from two different sources at the same price, preference should generally be given to the nearer source, therefore cutting down on freight traffic; and

- a new look at how the transport responsibilities between the Assembly and Westminster are divided, with more power being devolved, particularly for the railways.[95]

6.5 Scottish National Party

The SNP has been in Government in Scotland since May 2008. Their future transport policy priorities were announced in December 2008 in the Strategic Transport Projects Review. This set out 29 major transport investment priorities across Scotland over the next 20 years, including:

- a toll free replacement Forth Crossing and conversion of the existing Forth Bridge into a dedicated public transport only corridor;

- electrification of the rail network and other infrastructure improvements;

- road upgrades and dualling including a new Dundee city bypass or upgrade of the Kingsway;

- new national park and ride sites;

- a new national integrated ticketing scheme allowing people to travel across all public transport using just one ticket; and

- rail and road infrastructure improvements to improve freight links across Scotland and into England.[96]

The SNP has also indicated support for a London-Scotland high speed rail link.[97]

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[94] *Plaid Cymru European manifesto*, 2008, pp4-5
[95] Plaid Cymru, *A sustainable future for Wales*, pp11-13
[96] Scottish Government press notice, "Strategic Transport Projects Review", 10 December 2008
[97] SNP press notice, "Heathrow debate proves need for high speed rail", 15 January 2009

6.6   Other parties

Information on the Green Party's transport policies is available on the Party's website.[98] Generally, they support: more buses and funding for fare subsidies; renationalising the railway; creating more urban tram systems; and reducing rail fares by a third.

Information on the United Kingdom Independence Party's (UKIP) transport policies is available on the Party's website.[99] Spending commitments would be funded from 'funds released from leaving the EU' and a number of European transport Directives would be repealed. Generally, they support: new road schemes and improvements; a lorry road user charge; changes to parking and speed camera rules; bus franchising; three new high speed rail lines; longer rail franchises; scrapping Crossrail; rail electrification; a new London airport in the Thames Estuary; and a new national strategy for ports and a comprehensive freight distribution plan.

Information on the BNP's transport policies is available on the Internet.[100]

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[98]   http://www.greenparty.org.uk/policies/transport.html

[99]   http://web.archive.org/web/20100204003851/http://www.ukip.org/content/ukip-policies/1430-transport-ukip-policy

[100] http://web.archive.org/web/20120417022927/http://www.general-election-2010.co.uk/bnp-policies-transport-time-to-invest.html

Appendix – further reading

This bibliography lists a selection of books and reports focusing on the historical development of transport which are available to Members and their staff from the House of Commons Library.

Further information on transport issues – including Library notes and research papers – is available for Members of Parliament and their staff via the Parliamentary intranet; and for the general public on the Parliament website.

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