



Transport policy in 2011: a new direction?

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This paper outlines the changes made to transport policy by the Conservative-Liberal Democrat Coalition Government and looks at some of the long term transport challenges the government is likely to face over the course of this Parliament. It complements and updates House of Commons research paper 10/28, [Transport policy in 2010: a rough guide](#).

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Summary

The Conservative-Liberal Democrat Coalition Government took office in May 2010. It inherited from the previous Labour Government a transport system still dominated by road transport and, compared with 1997, has higher passenger usage across nearly all modes. It is a system which has seen large real terms increases in expenditure and investment; growth in rail expenditure and investment has been particularly large.

The Coalition Government has pledged to make transport more efficient and better value for money. This will be vital if service levels are to be maintained in a climate of public spending restraint. It also promised a decentralisation of power, enabling local government to initiate and fund transport projects and their day-to-day transport needs free of ring-fencing and 'diktat from Whitehall'. This spirit of decentralisation appears likely to encompass devolution of further transport powers to London, Scotland and Wales, yet the role of the European Union in forming transport policy is almost certain to grow over coming years.

The government has also committed itself to initiating, continuing or completing a number of large public transport projects including a second high speed rail line, Crossrail and Thameslink. It promised that there would be no expansion at Heathrow, Gatwick or Stansted airports and that it would 'end the war on the motorist' through a number of changes including ending central government funding for new speed cameras and outlawing wheel clamping on private land.

This paper gives an overview of the general philosophical thrust of the government's transport policies, outlines the major changes that have been implemented since May 2010 and provides a summary of some of the longer term challenges that it is likely to face over the course of this Parliament – including funding, security and other emergencies such as extreme weather conditions. The London Olympics, due to take place in Summer 2012 will also pose a formidable transport challenge.

1 Introduction

1.1 Transport proposals and policy framework

Pre-election views

The two parties that comprise the Coalition Government have found what to some has been a surprising degree of overlap in their approach to transport policy. As with many other policy areas, before the election the Conservatives and the Liberal Democrats disagreed on a number of specific proposals. For example, the Liberal Democrats were in favour of reregulating local bus services while the Conservatives advocated repealing some of Labour's legislation that permitted further regulation. Similarly, the Liberal Democrats supported local and national road charging schemes, the Conservatives opposed both. However, there were some areas of agreement – such as on prohibiting the further expansion of London Heathrow Airport, building a high speed rail line from London to the north of England, and generally making transport 'greener'.¹

The two parties' manifestos for the 2010 General Election contained the following transport pledges:²

	Conservatives ³	Liberal Democrats ⁴
Rail	Create a high speed rail line connecting London and Heathrow with Birmingham, Manchester and Leeds as the first step to a wider network joining up major cities across England, Scotland and Wales.	Set up a UK Infrastructure Bank to invest in public transport like high speed rail.
	Reform the railways to focus on tackling problems that matter most to passengers, such as overcrowding, including the grant of longer, more flexible rail franchises to incentivise private sector investment in improvements like longer trains and better stations.	
	Support Crossrail.	Cut regulated rail fares annually on an RPI minus 1 basis.
	Support the electrification of the Great Western line to South Wales.	
	Turn the rail regulator into a passenger champion.	Make Network Rail refund a third of your ticket price if you have to take a rail replacement bus service.
	Reform Network Rail to make it more accountable to its customers.	Overhaul Network Rail to put the interests of passengers first and bring it under the Freedom of Information Act.

¹ the general policy approach of the 1997-2010 Labour Government is given in section 5 of HC Library research paper RP 10/28: *Transport Policy in 2010: a rough guide*, 19 March 2010

² information on Labour's transport pledges can be found in their manifesto, see: Labour Party, *A Future fair for All: the Labour Party Manifesto 2010*, April 2010, p1.8

³ Conservative Party, *Invitation to join the Government of Britain: the Conservative manifesto 2010*, April 2010, pp23-24

⁴ Liberal Democrats, *Liberal Democrat Manifesto 2010*, April 2010, pp78-80

Rail (cont...)	Introduce a moratorium on building on disused rail lines still in public ownership, so they are available to be re-opened.	Invest in local rail improvements, such as opening closed rail lines and adding extra tracks, paid for by cutting the major roads budget.
Aviation	Stop a third runway at Heathrow and instead link it directly to the high speed rail network.	Cancel plans for the third runway at Heathrow.
	Block plans for second runways at Stansted and Gatwick.	Cancel plans for the expansion of other airports in the South East.
	Reform Air Passenger Duty to encourage a switch to fuller and cleaner planes.	Replace the per-passenger Air Passenger Duty with a per-plane duty (PPD), so capturing freight movements by air for the first time and introduce an additional, higher rate of PPD on domestic flights for which alternative and less polluting travel is readily available.
Buses	Encourage partnerships between bus operators and local authorities.	Give councils greater powers to regulate bus and give local people a say over routes and fares.
Sustainable transport	Give the concerns of cyclists greater priority.	Include the promotion of safer cycling and pedestrian routes in all local transport plans.
	Help people cut down on work-related travel.	
Roads and motoring	Introduce incentives for electricity network operators to establish a new national car recharging network.	Introduce a zero emissions target for all new cars by 2040 and extend targets to other vehicles.
	Stop central government funding for new fixed speed cameras.	Undertake preparations for the introduction of a system of road pricing in a second parliament, to include the abolition of Vehicle Excise Duty and a reduction in fuel duty.
	Authorise 'drugalyser' technology for use in testing for drug-driving.	
	Make companies that dig up the roads accountable for the congestion they cause.	
	Crack down on rogue clampers.	
	Give councils more powers to get traffic flowing more smoothly.	
	Consult on the introduction of a 'Fair Fuel Stabiliser'.	Introduce a rural fuel discount scheme which would allow a reduced rate of fuel duty to be paid in remote rural areas.

The Coalition Agreement and departmental business plan

The Coalition Agreement was published in May 2010. This represents the common policy platform of the government. The transport portion of the agreement contains elements of both parties' manifestos, as indicated below:

The Government believes that a modern transport infrastructure is essential for a dynamic and entrepreneurial economy, as well as to improve well-being and quality of life. We need to make the transport sector greener and more sustainable, with tougher emission standards and support for new transport technologies.

- We will mandate a national recharging network for electric and plug-in hybrid vehicles. **[CON]**
- We will grant longer rail franchises in order to give operators the incentive to invest in the improvements passengers want – like better services, better stations, longer trains and better rolling stock. **[CON]**
- We will reform the way decisions are made on which transport projects to prioritise, so that the benefits of low carbon proposals (including light rail schemes) are fully recognised.
- We will make Network Rail more accountable to its customers. **[CON/LIB]**
- We will establish a high speed rail network as part of our programme of measures to fulfil our joint ambitions for creating a low carbon economy. Our vision is of a truly national high speed rail network for the whole of Britain. Given financial constraints, we will have to achieve this in phases. **[CON/LIB]**
- We support Crossrail and further electrification of the rail network. **[CON]**
- We will turn the rail regulator into a powerful passenger champion. **[CON]**
- We will support sustainable travel initiatives, including the promotion of cycling and walking, and will encourage joint working between bus operators and local authorities. **[CON/LIB]**
- We are committed to fair pricing for rail travel. **[LIB]**
- We will work towards the introduction of a new system of HGV road user charging to ensure a fairer arrangement for UK hauliers. **[LIB]**
- We will stop central government funding for new fixed speed cameras and switch to more effective ways of making our roads safer, including authorising 'drugalyser' technology. **[CON]**
- We will tackle rogue private sector wheel clampers. **[CON]** ⁵

The energy and climate change portion of the agreement also contains some transport-related elements:

- We will cancel the third runway at Heathrow. **[CON/LIB]**
- We will refuse permission for additional runways at Gatwick and Stansted. **[CON/LIB]**

⁵ HMG, *The Coalition: Our Programme for Government*, May 2010; the added references only refer to specific manifesto commitments

- We will replace Air Passenger Duty with a per-flight duty. [LIB]⁶

These commitments are to be delivered through a departmental business plan, which will span the course of the Parliament. The Department for Transport's business plan is divided into categories, each one containing benchmarks and delivery milestones. For transport, these are:

- delivering on high speed rail;
- securing the railway for the future (mainly via changes to franchising and capacity enhancements);
- encouraging sustainable local travel (mainly via simplification of funding, incentivising green projects and better traffic management);
- tackling carbon and congestion (including promoting alternatively powered vehicles, HGV charging, tackling bottlenecks etc.); and
- promoting sustainable aviation.⁷

Progress against these goals can be checked on the Number 10 website.⁸

A break from the past? A brief discussion

How different are these policies from those pursued by the previous government? Of the 15 specific transport-related policies in the Coalition Agreement, more than half were either supported by the Labour Government or acted on during their time in office. There are some differences on rail policy – though perhaps more in approach than in the anticipated outcomes – and specifically on reform of Network Rail and the intended new passenger-focused role for the rail regulator.⁹ Labour did look at lorry road user charging and dismissed it in 2008 as economically unworkable;¹⁰ Labour also supported speed cameras as a key part of their road safety policy.¹¹ Perhaps the biggest difference between Labour and Coalition policy is in aviation where Labour supported a third runway at Heathrow¹² and had already reformed Air Passenger Duty.¹³

Philosophically, there is an inevitable difference in emphasis between the present Conservative-Liberal Democrat and previous Labour governments. Labour was keen on trying to guarantee specific outcomes by using targets and detailed requirements (in the form of guidelines, contracts and legislation); this was true particularly in the rail industry and local transport. Labour's view was that, in a largely deregulated transport industry, it was important to secure the public interest by binding private transport companies to specific standards of service; similarly public transport should be made affordable by limiting price rises in some areas and ensuring that concessionary tickets were made available to specific groups like older and disabled people. In local transport, desirable outcomes such as increased accessibility and sustainability were specified by central government; local authorities then

⁶ *ibid.*

⁷ full details are given in the draft business plan, the final plan will be published in April 2011, see: DfT, *Business Plan 2011-2015*, November 2010

⁸ <http://transparency.number10.gov.uk/transparency/srp/#>

⁹ further information on Labour's rail policies can be found in a suite of notes available on the [Railways Topical Page](#) of the Parliament website

¹⁰ for further information, see: HC Library standard note SN/BT/588, *Roads: lorry road user charging*

¹¹ for further information, see: HC Library standard note SN/BT/350, *Roads: speed cameras*

¹² for further information, see: HC Library standard note SN/BT/1136, *Aviation: London Heathrow Airport*

¹³ for further information, see: HC Library standard note SN/BT/5094, *Air passenger duty: recent debates & reform*

had to develop policies to deliver them, tailored to their local requirements. Labour was also keen on modal shift, specifically using incentives and charges to encourage people to swap the private car for public transport, cycling and walking.

The current government's view is that much of this was too 'top down' and over-specified. While it shares much of the ultimate aims of Labour's policies (in terms of sustainability, affordability, accessibility, etc.), it intends to deliver them in a different way. The Conservatives want to ensure that the free market can operate to its fullest benefit within transport provision: this is most obvious in their plans for reforming rail (as outlined in section 2.4). Similarly, there is a drive to change the way that transport planning operates: to remove requirements from Whitehall and to encourage local authorities to decide their own outcomes, coupled with a broadening of the local transport funding base (to compensate for cuts to central government grants).

Some might argue that there is a danger of this type of approach delivering unequal outcomes. For example, deprived and rural areas, where there is less public transport and often lower incomes, could well face a higher financial burden and more extensive cuts to services. The government might respond that giving local authorities more powers and responsibilities, and encouraging 'Big Society' community action could revitalise local democracy: councils that did badly would be punished at the ballot box and there would be less 'passing the buck' between Whitehall and town hall.

In practice, one of the pilot areas for the Big Society project – Liverpool – has withdrawn from the scheme already. The council leaders cited the incompatibility between community action and cuts in local authority budgets.¹⁴ Others have made similar criticisms;¹⁵ and there remains a bigger question about the clarity, utility and viability of the Big Society project.¹⁶ Some examples of how the Big Society works in local transport provision are given in section 2.2, below, on sustainable and green transport.

1.2 A new philosophy?

The Conservatives and the Liberal Democrats have separate political philosophies.¹⁷ Individually, these influence their differing policy approaches. However, there is a degree of overlap between the two; the area occupied by what David Cameron has called 'liberal conservatism'. This involves, if not the merging of two different strands of thought, at least the ability of two similar strands to sit alongside one another in a cohesive way. Of course there remain aspects of conservative and 'social liberal' thought that are fundamentally incompatible, but as is the nature of coalition, the government's focus would appear to be on what binds the two together rather than what separates them.

On the Conservative side, the election of David Cameron as party leader in 2005 heralded a rethink of how the party should approach public policy. One area of particular interest was how incentives and penalties can influence consumer decisions ('carrot and stick'). One of the main Conservative criticisms of the Labour Government was that it over-centralised and

¹⁴ "[Liverpool council pulls out of Prime Minister David Cameron's flagship Big Society project](#)", *Liverpool Echo*, 3 February 2011; the Prime Minister has argued that this was to some extent politically motivated, see: [HC Deb 9 February 2011, c293](#)

¹⁵ see, e.g. Dame Elisabeth Hoodless, the outgoing head of Community Service Volunteers ("[David Cameron's Big Society takes another hit as charity boss slams cuts and poor planning](#)" *London Evening Standard*, 7 February 2011) and: "[Minister blocks No 10's rescue bid for 'big society' project](#)", *The Guardian*, 7 February 2011

¹⁶ e.g.: "[Doubts cast on coalition's 'Big Society' and nudging tactics](#)", *The Guardian*, 28 January 2011; and: "[There's no such thing as a "big society"](#)", *The New Statesman*, 15 April 2010

¹⁷ this section is not intended to be a comprehensive survey of all aspects of conservative and liberal thought; rather, it highlights those strands which overlap and which are currently in vogue amongst the Coalition's leaders and which are directly reflected in the government's transport policies

over-specified, in effect using the power of central government to force local authorities, regional bodies, private companies, passengers and consumers to provide particular services or make particular choices at a specified cost/price in order to produce the desired outcomes. In Conservative shorthand, this was excessive 'nannying', or 'government knows best'.

'Nudging'

Under Mr Cameron, the Conservative response to this has combined a traditional preference for free market solutions alongside a new enthusiasm for what is known as 'nudging'. Nudging was developed by the American academics Richard Thaler and Cass Sunstein as a form of 'libertarian paternalism', explained as follows:

Libertarian paternalism is a relatively weak, soft and nonintrusive type of paternalism because choices are not blocked, fenced off, or significantly burdened [...] better governance requires less in the way of government coercion and constraint, and more in the way of freedom to choose. If incentives and nudges replace requirements and bans, government will be both smaller and more modest.¹⁸

A 'nudge' is described as:

... any aspect of the choice architecture [i.e. the context in which people make decisions] that alters people's behaviour in a predictable way without forbidding any options or significantly changing their economic incentives. To count as a mere nudge, the intervention must be easy and cheap to avoid. Nudges are not mandates.¹⁹

To give a transport-related example, it is illegal in the UK to ride a motorcycle without a helmet (the same is true in many US states). Many libertarians take issue with the idea of a ban; they argue that if people wish to take risks they should be allowed to do so. Thaler and Sunstein cite a nudge-like solution from *New York Times* columnist John Tierney: riders who do not want to use a helmet should be required to get a special licence that includes taking an extra driving course and submitting proof of health insurance. This imposes some costs on those who want to ride without a helmet, but it is less intrusive than a ban.²⁰

The then Shadow Chancellor, George Osborne, wrote approvingly of this type of approach to policymaking in a July 2008 article for *The Guardian*:

Classic economic theory [is] based on the assumption that humans always act in their own self-interest. But as we all know, humans aren't always rational. We do things we know we shouldn't, like eating too much or not saving enough. And [...] we're also powerfully influenced by the people around us.

Social scientists refer to this as the importance of "social norms", and it's just one of the fascinating insights from the emerging fields of behavioural economics and social psychology. But the impact has stretched far beyond academia. It is enriching our understanding of human behaviour and changing the way policymakers think.

¹⁸ Thaler & Sunstein, *Nudge: Improving decisions about health, wealth and happiness* (2008), pp5 and 14

¹⁹ *ibid.*, p6; Thaler and Sunstein give the example of healthy eating: putting fresh fruit at eye level in a school cafeteria counts as a nudge; banning junk food does not

²⁰ *ibid.*, pp232-33

The Conservative party is at the forefront of this new intersect [...] to develop policies that will work in a post-bureaucratic age where Labour's clunking tax and regulation measures have all too often failed.²¹

Big Society

Another significant idea that Mr Cameron has championed is that of the 'Big Society'. A number of commentators have linked this concept back to Edmund Burke's 'little platoons'.²² For example, in *The Independent*, Amol Rajan wrote:

These platoons, being little, command affection and promote allegiance, because in Burke and Cameron's reckoning, what stirs us most is that to which we are near – in other words, the local.²³

There has also been some debate about whether it marks a 'return to Thatcherism'. Some have argued that the idea is embedded in one of Mrs Thatcher's most famous statements where she said 'there is no such thing as society', and then went on to say:

There is living tapestry of men and women and people and the beauty of that tapestry and the quality of our lives will depend upon how much each of us is prepared to take responsibility for ourselves and each of us prepared to turn round and help by our own efforts those who are unfortunate.²⁴

According to the government, the 'Big Society' is essentially about empowering people and encouraging them to assume control of things which are currently provided by the state (whether central or local government). Mr Cameron explained the idea in a pre-election speech in March 2010:

It is a guiding philosophy ... a society where the leading force for progress is social responsibility, not state control. It includes a whole set of unifying approaches – breaking state monopolies, allowing charities, social enterprises and companies to provide public services, devolving power down to neighbourhoods, making government more accountable.²⁵

Once in government, Mr Cameron launched the Big Society programme with a speech in Liverpool, where he explained that the three basic strands of the programme were social action, public service reform and community empowerment.²⁶ He also announced that four 'vanguard communities' – Eden Valley in Cumbria; Windsor and Maidenhead; Sutton and

²¹ "[Nudge, nudge, win, win](#)", *The Guardian*, 14 July 2008; others are less enthusiastic, for example, see: "[Nudgers vs. Nannies](#)", *Reason.Com*, 4 January 2011; and: "[Nudge, Nudge, Work?](#)", *Standpoint*, January/February 2011 and the Minister of State at the Cabinet Office, Oliver Letwin, said in February 2011 that the Cabinet office 'nudge unit': "is experimental and there is no concrete evidence that it will work" (see: "['Nudge unit' not guaranteed to work, says Oliver Letwin](#)", *The Observer*, 20 February 2011

²² in his *Reflections in the Revolution in France 1790*, Burke wrote: "To be attached to the subdivision, to love the little platoon we belong to in society, is the first principle (the germ as it were) of public affections. It is the first link in the series by which we proceed towards a love of our country and to mankind. The interests of that portion of social arrangement is a trust in the hands of all those who compose it; and as none but bad men would justify it in abuse, none but traitors would barter it away for their own personal advantage" (OUP ed., 2009, p47)

²³ "[Edmund Burke: How did a long-dead Irishman become the hottest thinker of 2010?](#)", *The Independent*, 1 October 2010; see also David Marquand in: "[Patron saint of the big society](#)", *Prospect Magazine*, 5 October 2010

²⁴ [Interview for Woman's Own](#), 23 September 1987

²⁵ Conservative Party press notice, "[Cameron unveils 'Big Society' plan](#)", 31 March 2010

²⁶ "[Big Society Speech](#)", *Number 10 website*, 19 July 2010

Liverpool – would act as pilot areas for the Big Society idea. Thus far there have been mixed results.²⁷

In a February 2011 article for *The Observer*, Mr Cameron defended the concept of the Big Society against recent criticisms. He argued that it is not a ‘cover for cuts’; or something that would only work in ‘leafy, middle class areas’; or is ‘too vague’:

True, it doesn't follow some grand plan or central design. But that's because the whole approach of building a bigger, stronger, more active society involves something of a revolt against the top-down, statist approach of recent years. And neither is it about just one thing. Rather, it combines three clear methods to bring people together to improve their lives and the lives of others: devolving power to the lowest level so neighbourhoods take control of their destiny; opening up our public services, putting trust in professionals and power in the hands of the people they serve; and encouraging volunteering and social action so people contribute more to their community.²⁸

There is some philosophical affinity between the ‘Big Society’ concept and the co-operative movement, though the [Co-operative Party](#) has traditionally been associated with the ‘left’ and works in partnership with the Labour Party. In an interview in January 2011 Ed Milliband, the Leader of the Labour Party, put forward his own interpretation of the ‘big society’, founded on preserving local institutions like post offices and libraries as ‘hubs of community life’.²⁹

Liberalisms

The Liberal Democrats have evolved their ideas from two different aspects of liberal thought: classical liberalism and social liberalism. Broadly speaking, classical liberals believe in freedom from external constraint, implying a “reduced, though not necessarily minimal state”; while social liberals believe that individuals are not free if they lack sufficient resources in order to exercise their liberty.³⁰ In practice, these two ideas were reconciled in the notion of ‘the freedom involved in the capacity to act’, which in turn led the original Liberal Party to advocate state intervention in areas such as alleviating poverty. Steve Webb MP describes the philosophy as follows:

The twin cores of social liberalism are freedom and fairness. This translates as a belief in the freedom of individuals to live their lives without undue interference from the state, alongside a recognition that freedom is not attainable without a fair distribution of wealth and power, which aims to enable each person to achieve their full potential in life.³¹

In recent years the classical liberals within the Liberal Democrats have expounded on how liberalism could be implemented in policy terms and how it would sit as a programme for government. At the centre of this was *The Orange Book*, published in 2004 by a group of MPs, most of whom are (or were) ministers in the Coalition Government. In a chapter entitled ‘Reclaiming Liberalism’ the former Chief Secretary to the Treasury, David Laws, called on the Liberal Democrats to reject ‘nanny-state liberalism’; to resist calls for ‘internationalist solutions’ that were incompatible with the party’s decentralising beliefs; and to marry economic and social liberalism in such a way as to “deliver more opportunity and freedom to

²⁷ further information on the Big Society in practice can be found in section 2.2, below

²⁸ “Have no doubt, the big society is on its way”, *The Guardian*, 12 February 2011

²⁹ “Ed Miliband claims notion of the ‘big society’ for Labour”, *The Guardian*, 15 January 2011

³⁰ Hickson (ed.), *The political thought of the Liberals and Liberal Democrats since 1945* (2009), pp2-3

³¹ *ibid.*, p178; Mr Webb is now the Liberal Democrat Minister for Pensions in the Coalition Government

all of our citizens – particularly those on lower incomes who cannot opt out of failing state services”.³²

In government, the Conservatives and the Liberal Democrats have combined aspects of all of these approaches and ideas as a way of delivering public policy. Deputy Prime Minister and Leader of the Liberal Democrats, Nick Clegg said as much in a speech in May 2010:

What I'm discovering – I'm sure the Prime Minister will feel the same – is that we've been using different words for a long time and actually mean the same thing. 'Liberalism': 'Big Society'. 'Empowerment': 'Responsibility'. It means the same thing. I think what we are grappling with, and what we are aiming for, is nothing less than a huge cultural shift, where people, in their everyday lives, in their communities, in their homes, on their street, don't always turn to answers from officialdom, from local authorities, from government, but that they feel both free and empowered to help themselves and help their own communities.³³

Mr Clegg oversees this at the Cabinet Office, where a 'behavioural insights team' has been set up as part of the strategy unit,³⁴ and the Big Society agenda is managed.³⁵

Section 2 explains how these ideas about decentralisation, local and individual accountability and 'nudging' consumer behaviour have influenced the development of the government's transport policies in its first nine months.

1.3 The inheritance

The Conservative-Liberal Democrat Coalition Government inherited from the previous Labour Government a transport system that is substantially devolved in London, Scotland, Wales and Northern Ireland. Overall, the picture is one of domination by road transport and, compared with 1997, higher passenger usage across nearly all modes. Transport has seen large real terms increases in expenditure and investment; growth in rail expenditure and investment has been particularly large.³⁶

Devolution

Labour devolved many transport responsibilities to the administrations in London, Edinburgh, Cardiff and Belfast. This is an important feature in the current climate where local transport services in particular are facing funding challenges. The Westminster government develops the policy and provides the funding for local transport in England, including: buses, walking, cycling and local transport (highway and rail) more generally; in other parts of the UK this is provided by the relevant devolved administration. Westminster retains reserved powers for 'national' transport such as aviation and maritime policy; and strategic road and rail. More detail is given below.

London

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

³² Marshall & Laws (eds.), *The Orange Book: Reclaiming Liberalism* (2004), p40

³³ Number 10 press notice, "[PM and Deputy PM's speeches at Big Society launch](#)", 18 May 2010

³⁴ the Cabinet Office did undertake work on behavioural theory under both Prime Ministers Blair and Brown; a report was published in March 2010 in conjunction with the Institute for Government, see: Cabinet Office/IfG, [Mindspace: influencing behaviour through public policy - the practical guide](#), 2 March 2010

³⁵ for more information, visit the [Cabinet Office website](#)

³⁶ government **expenditure** refers to total public expenditure (whether capital or current) while **investment** in public transport refers to total capital expenditure (whether public or private)

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*](#).

Scotland

The *Scotland Act 1998* divided legislative responsibility for transport between the UK Parliament in Westminster and the Scottish Parliament in Edinburgh. 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. In some areas which are reserved in legislative terms, Scottish Ministers have executive powers to implement UK legislation. Further transport powers may be devolved under the *Scotland Bill*, currently going through Parliament.³⁷ A detailed overview of the devolved transport areas is given in [SPICe briefing 07/23](#).³⁸ More information on transport in Scotland can be found in HC Library standard note [SN/BT/3192, *Transport: Scotland*](#).

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, Part 3 and Schedule 5 of the *Government of Wales Act 2006* introduced a new mechanism by which legislative competence can be conferred on the Assembly, with Parliament's approval.³⁹ 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, to permit the Assembly to make charges for keeping motor vehicles on trunk roads. However, the Assembly is currently in the process of applying for an extension of its powers regarding concessionary travel and school transport.⁴⁰ 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.

Statistical overview

Transport usage

Passenger transport

495 billion passenger miles were travelled in Great Britain in 2009. The vast majority of passenger transport in Great Britain is completed on the roads (see Table A1 in the statistical appendix).⁴¹

Chart 1 shows that cars, vans & taxis were most used with 85% of all passenger transport

³⁷ see section 3.7 of HC Library research paper [RP 11/06, *Scotland Bill*](#)

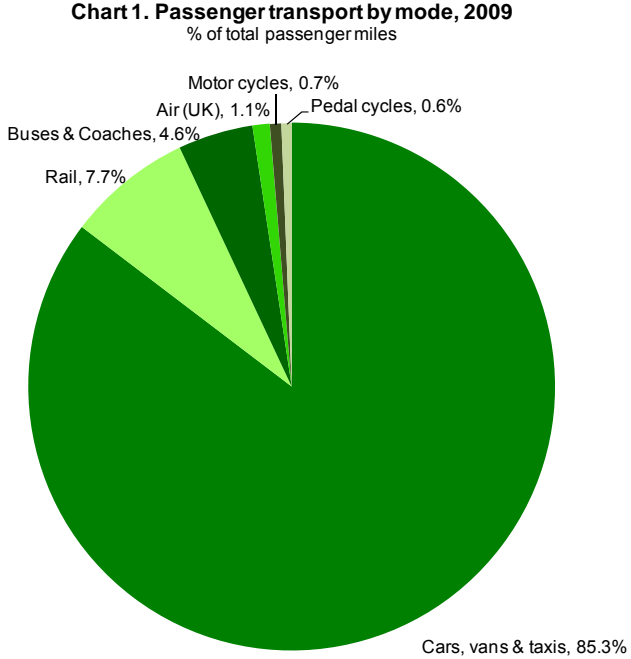
³⁸ SPICe, [Transport in Scotland: subject profile](#), May 2007 [07/23]

³⁹ for more information, see section F2 of [HC Library standard note SN/PC/4407](#)

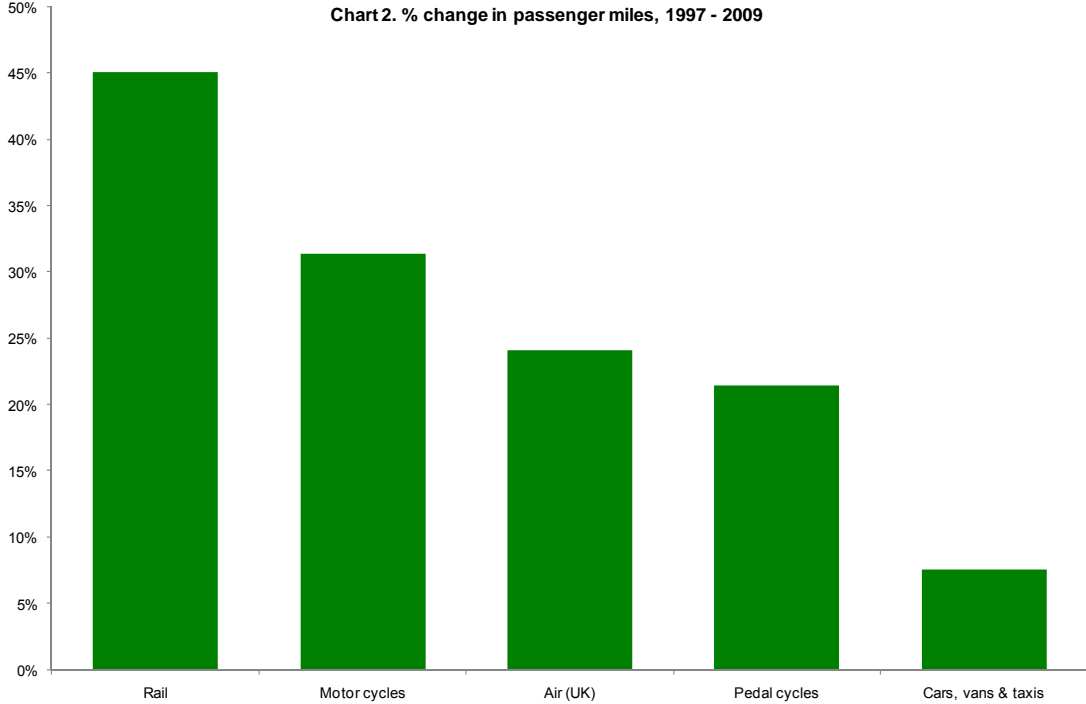
⁴⁰ [National Assembly for Wales \(Legislative Competence\) \(Transport\) Order 2010](#)

⁴¹ all tables referred to in this section are located in the statistical appendix

taken in these, a similar proportion to that seen in 1997. Rail and buses & coaches were the second and third most used modes of transport respectively.



Despite decreases in 2008 and 2009, passenger miles were higher in 2009 than in 1997 across nearly all modes of transport. Chart 2 shows relatively large increases in rail; between 1997 and 2009 rail passenger miles increased by 45%. Air transport usage in 2009 was 24% higher than in 1997 despite annual decreases since 2006.



Journeys made on public transport

Local buses are used for the majority of journeys taken on public transport in Great Britain. Over 5 billion journeys were taken on local buses in 2009 – nearly twice as many as were taken across all kinds of rail (see Table A2).

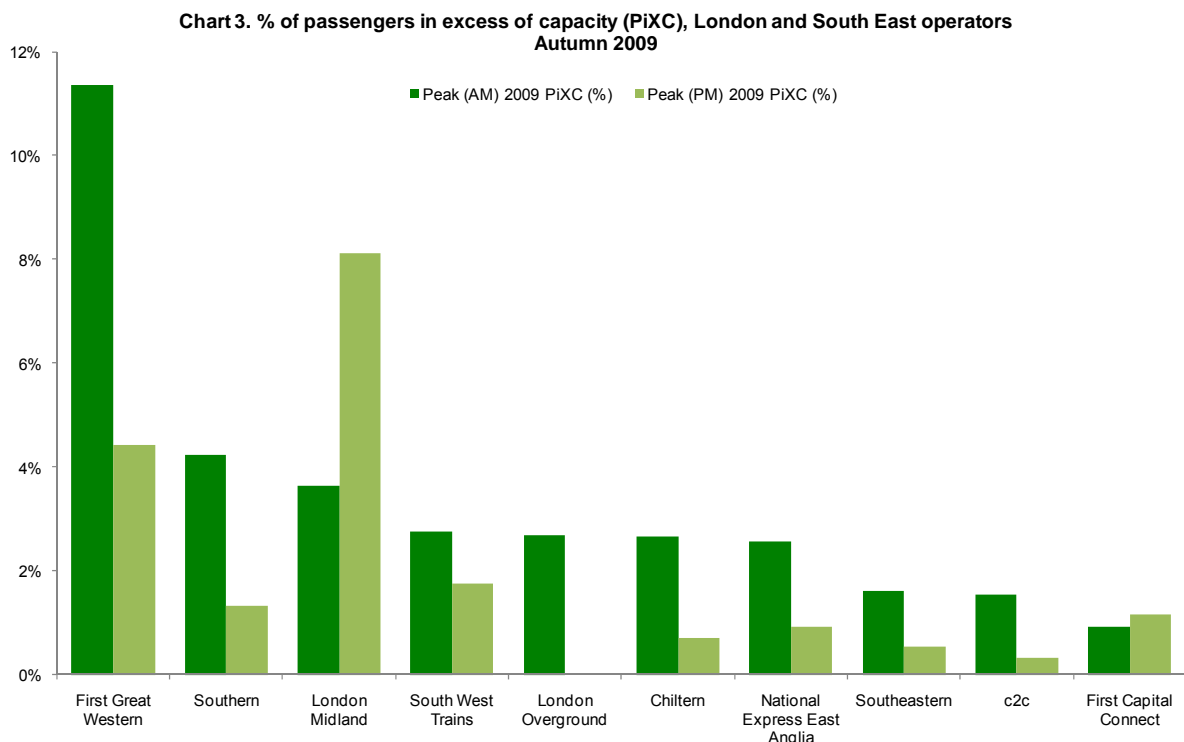
Between 1997/98 and 2008/09 the rail network saw annual increases in passenger numbers. In 2009/10 passenger numbers decreased slightly. By 2009/10 1.3 billion journeys were taken on the network, 412 million more than in 1997/98. Whilst fewer journeys are taken on the rail network than on local buses, the average annual distance travelled on rail is greater.⁴²

Journeys taken on light rail and trams more than doubled between 1997/98 (79 million) and 2009/10 (184 million). This increase has coincided with an increase in capacity; systems such as West Midlands Metro, Croydon Tramlink, and Nottingham NET opened over the period and the Docklands Light Railway was extended in East London.

Passenger journeys across all forms of public transport decreased between 2008/09 and 2009/10.

Overcrowding on rail

In autumn 2009, 2.2% of London and South East peak time trains were in excess of capacity. Overcrowding was more pronounced in the morning peak time (2.9% in excess of capacity) than in the afternoon peak (1.4%).⁴³ Chart 3 provides a breakdown by train operating company.



⁴² DfT, *Transport Statistics Great Britain 2010*, November 2010, table NTS0305

⁴³ Office of Rail Regulation, *Current National Rail Trends, Chapter 2 Rail Performance*, January 2011, table 2.4

Road transport

313 billion vehicle miles were travelled by motor vehicles on the roads of Great Britain in 2009, an increase of 33 billion vehicle miles, or 12%, on 1997 (see Table A3). Cars and taxis contributed 79% of total road traffic.

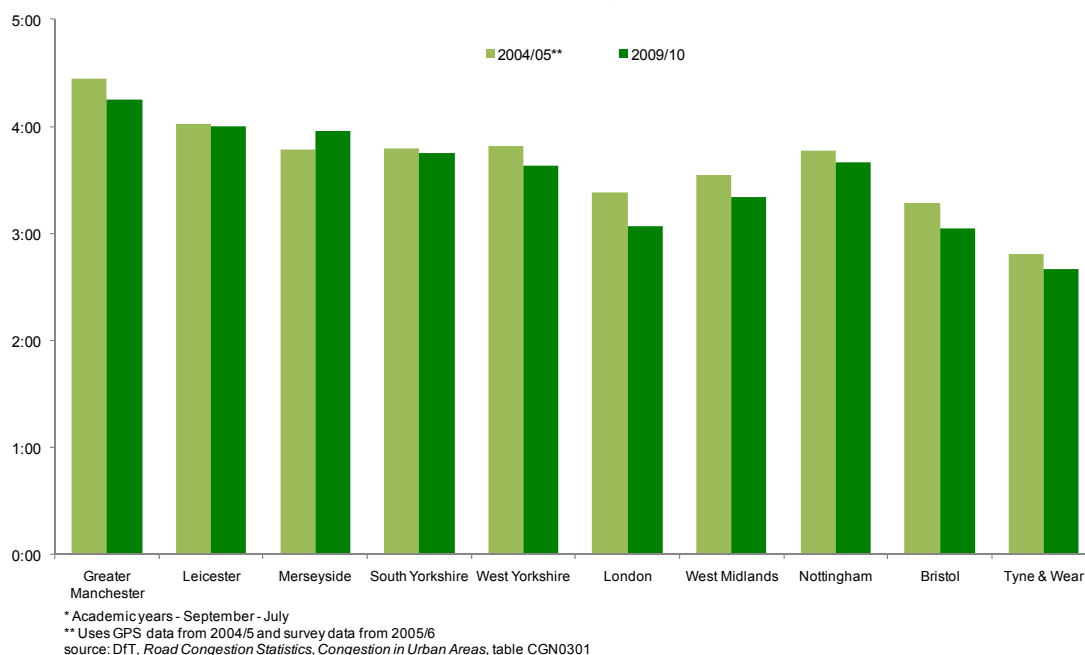
Road traffic increased across most modes of road transport between 1997 and 2009. The exception to this was heavy goods vehicles (HGV); decreases in 2008 and 2009 meant that there was less HGV traffic than in 1997. In percentage terms light vans saw the largest increase despite falls in 2008 and 2009.

Road congestion

Chart 4 shows, for 2004/05 and 2009/10, the time taken to travel a mile on the roads of the 10 largest urban areas in England during the weekday peak. On average less time was taken to travel a mile in 2009/10 than 2004/05 in 9 of the 10 urban areas; the exception was Merseyside.

During 2010 the average vehicle delay on the slowest 10% of journeys on the strategic road network⁴⁴ was 3.55 minutes per 10 miles, a similar average delay to that seen in 2008 and 2009.⁴⁵

Chart 4. Vehicle journey times during the weekday morning peak on key routes in the 10 largest urban areas in England, 2004/05* - 2009/10*
Minutes and seconds per mile



Aviation

Chart 5 overleaf shows that the number of terminal passengers⁴⁶ at UK airports reached its peak in 2007 (216 million passengers). By 2009 the number of terminal passengers had

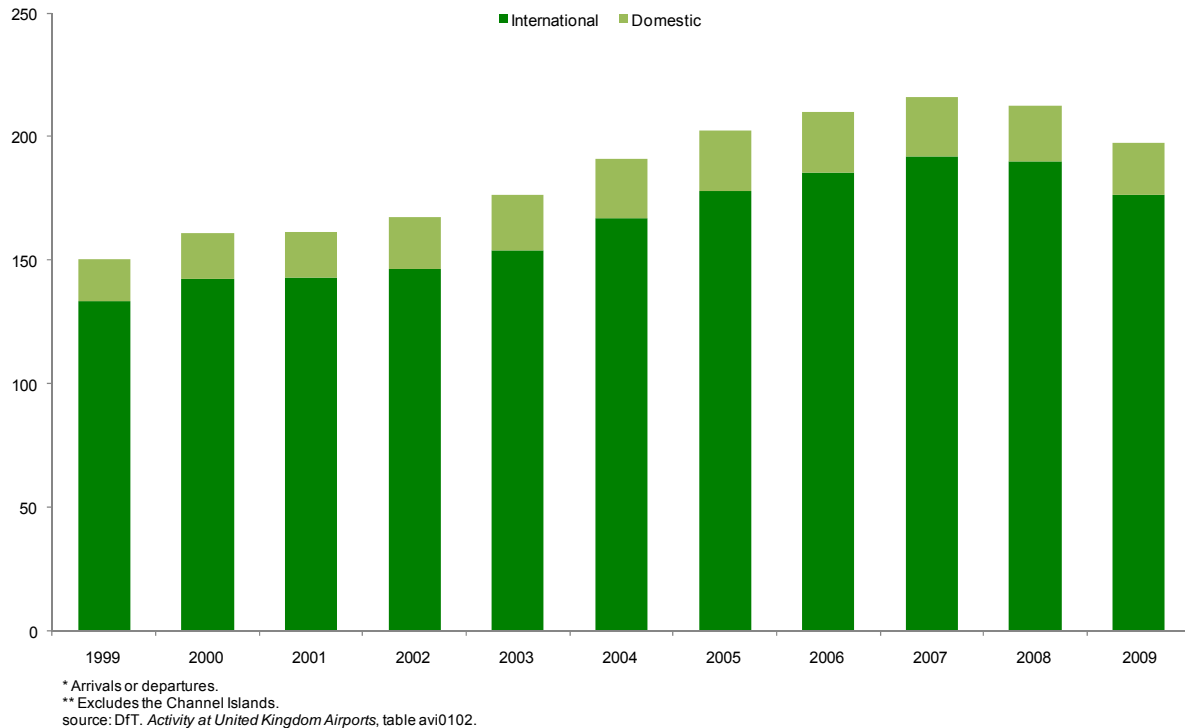
⁴⁴ The strategic road network covers all motorways and trunk 'A' roads managed by the Highways Agency, as well as the M6 Toll.

⁴⁵ DfT, *Road Congestion Statistics*, 20 February 2011, table CGN0101

⁴⁶ Terminal passengers excludes those in transit. Figures have been adjusted to eliminate double counting of domestic traffic at UK airports

decreased by 9% to 197 million terminal passengers. In 2009, 11% of terminal passengers were on domestic services, a similar proportion to in 1999.

Chart 5. Terminal passengers* (millions) at United Kingdom Airports,** 1997 - 2009



In 2009 the five London airports⁴⁷ accounted for 60% of all terminal passengers at UK airports; a smaller proportion than in 1999 (65%). In 2009 Heathrow was the UK's busiest airport handling 30% of terminal passengers,⁴⁸ and was the busiest airport worldwide in terms of terminal passengers on international flights.⁴⁹

The number of terminal passengers increased by 48% at regional airports between 1999 and 2009 and by 20% at the London airports. Regional airports saw a larger % change in terminal passengers than London airports in consecutive years from 2001 to 2006.

During 2008 and 2009 the number of terminal passengers at UK airports fell. Between 2008 and 2009 regional airports experienced an 11% fall; London airports saw a 5% fall.

Cost of transport and household expenditure

Cost of transport

Between 1997 and 2010 both rail fares and bus & coach fares have risen faster than the cost of living as measured by the all items retail price index (RPI) (see table A4). Motoring costs have risen at a slower rate than the RPI, largely as a result of a substantial fall in the cost of vehicle purchase.

Chart 6 overleaf shows that other motoring costs such as maintenance, petrol & oil and tax & insurance rose faster than the RPI between 1997 and 2010. Tax & insurance costs have more than doubled over the period.

⁴⁷ Heathrow, Gatwick, Stansted, Luton and London City; 'regional airports' covers all other UK airports

⁴⁸ Heathrow also handled 22 per cent of air transport movements and 62 per cent of freight tonnes

⁴⁹ DfT, *Transport Statistics Great Britain: 2010. Aviation*, 2010

Chart 6. Retail Prices Index, transport components
% change 1997 - 2010

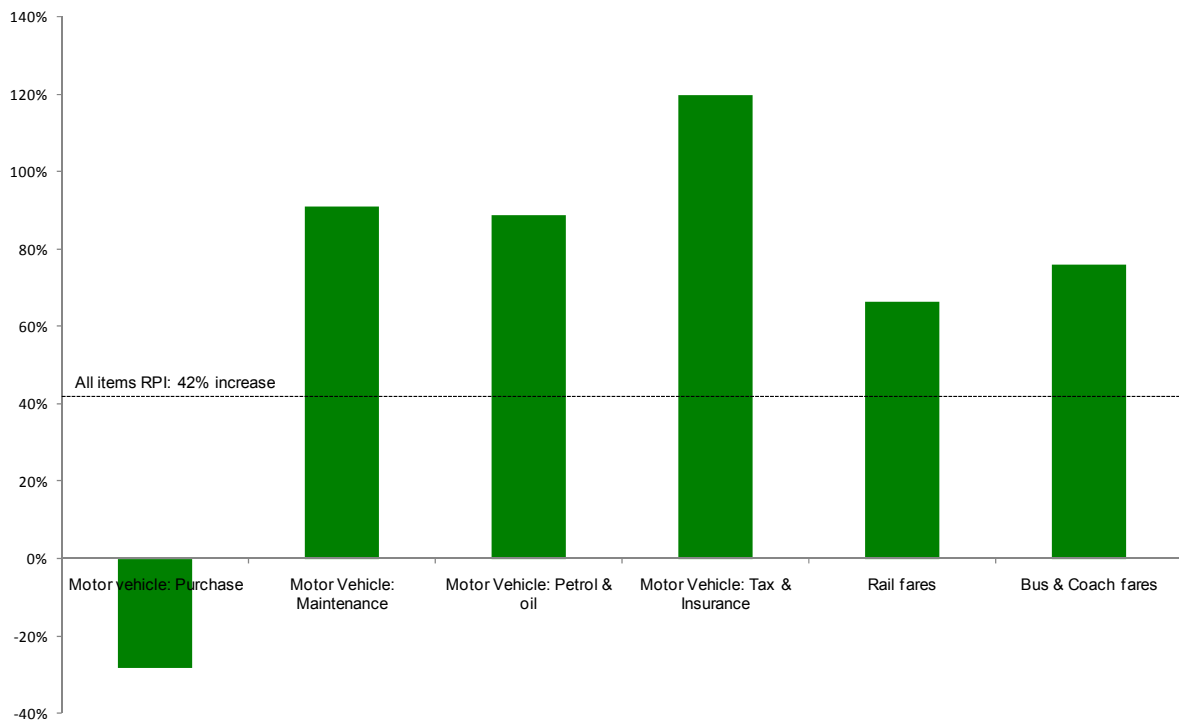
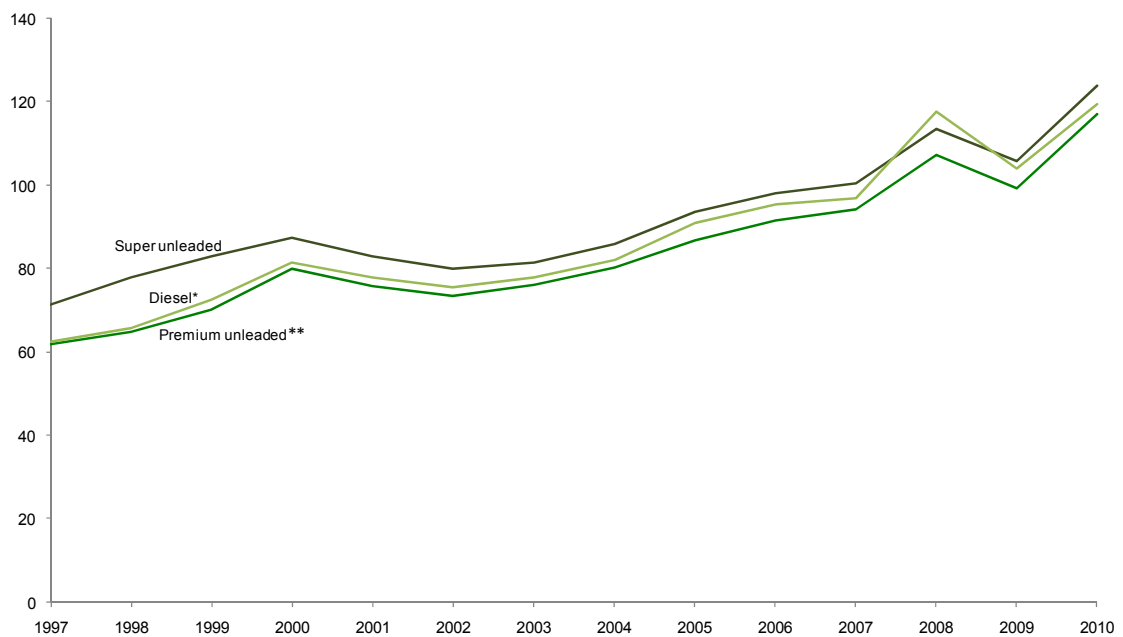


Chart 7 shows that the average annual retail prices of super unleaded and premium unleaded (motor spirit) and diesel have increased between 1997 and 2010. This is also true in real terms; the average annual retail price in 2010 was 27% higher for premium unleaded, 38% higher for premium unleaded, and 39% higher for diesel, than it was in 1997.

Chart 7. Average annual retail prices of motor spirit and diesel, United Kingdom, 1997 - 2010
Pence per litre



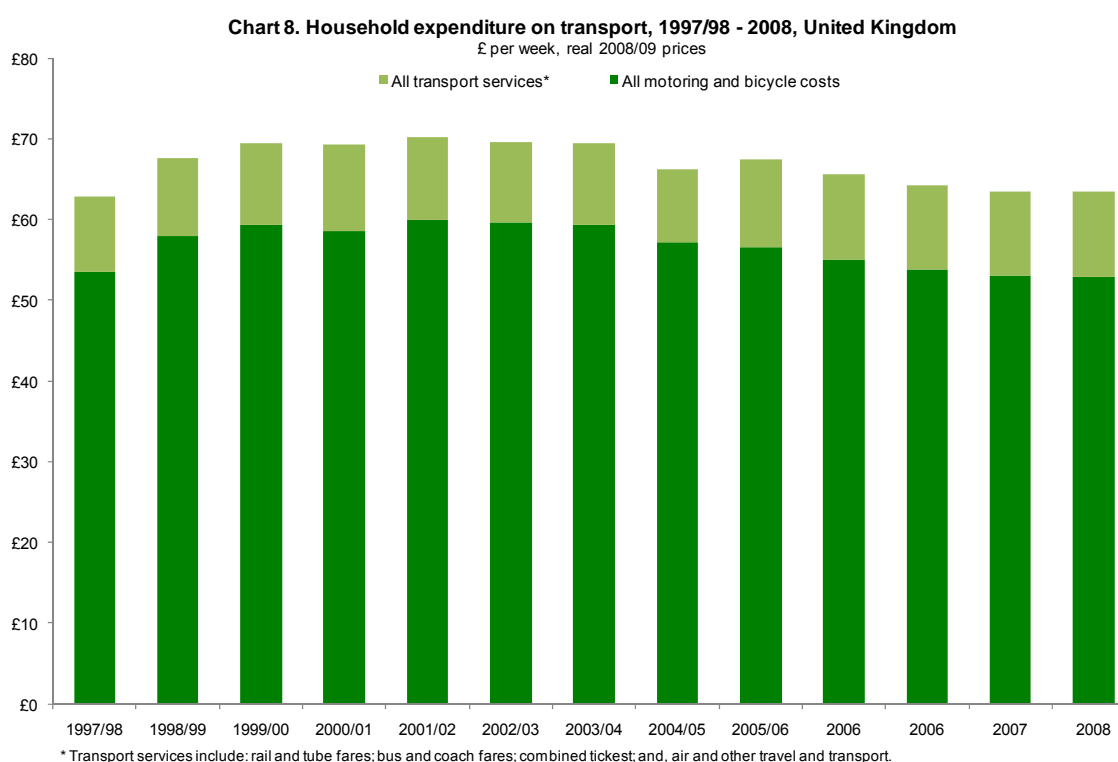
* From July 1999, diesel prices represent average prices for Ultra Low Sulphur Diesel
** From April 2001, premium unleaded prices represent Ultra Low Sulphur Petrol (ULSP)

source: Department for Energy and Climate Change, *Quarterly Energy Prices*, December 2010

Household expenditure

Chart 8 shows that the majority of average household transport expenditure in the UK goes on motoring and bicycle costs. In 2008 the average UK household spent £63.40 per week on transport, £52.90 of this went on motoring and bicycle costs. Breaking motoring costs down further shows that £21.10 per week went on the purchase of vehicles and £21.00 went towards petrol, diesel and motor oil costs. £5 per week was spent on public transport fares and tickets (see Table A5).

Expenditure on transport makes up over one-tenth of total household expenditure. However, the proportion of household expenditure going on transport has fallen from 14.6% in 1997/98 to 13.5% in 2008.



Expenditure and investment in transport

Government expenditure

Total public expenditure on transport⁵⁰ in the United Kingdom in 2009/10 was £23.1 billion.⁵¹ £9.6 billion of this went on roads⁵² with a further £8.2 billion going on railways.⁵³

In real terms, public expenditure on transport more than doubled between 1998/99 and 2009/10 (see Table A6). 1999/00 to 2002/03 was a period of particularly high growth with real terms expenditure increasing from £9.8 billion to £17.3 billion. The proportion of transport expenditure going on railways has increased from 17% of public sector transport expenditure in 1997/98⁵⁴ to 36% in 2009/10.⁵⁵

⁵⁰ including capital investment and current expenditure

⁵¹ this is an estimated outturn.

⁵² this includes both national and local roads

⁵³ HM Treasury, *Public Expenditure Statistics Analyses 2010*, Cm 7890, July 2010, table 5.2

⁵⁴ HM Treasury, *Public Expenditure Statistics Analyses 2003*, Cm 5901, May 2003, table 3.5

Public and private investment in transport infrastructure

Public and private investment in transport infrastructure and rolling stock tells a similar story to that of government expenditure: real terms increases since 1997/98, with particularly large increases in rail (see Table A7).

Since 1997/98 there has been a shift in infrastructure investment from road to rail. In 2008/09, £6.5 billion was invested in rail infrastructure and £5.3 billion in road infrastructure.

Investment in rail infrastructure and rolling stock more than doubled, in real terms, between 1997/98 and 2008/09.

Freight

The majority of goods moved in Great Britain are moved on the roads. In 2009, a total of 221 billion tonne kilometres of goods were moved, of which 144 billion tonne kilometres were by road (see Table A8).

Chart 9 shows that in 2009 more goods were moved by rail than in 1997. Roughly the same amount was moved by water in the two years, with less moved by road and pipeline in 2009.



⁵⁵ *ibid.*, table 5.2

2 Major policy changes to date

The policy changes set out below should be seen in the overall context of public spending restraint (the transport funding settlement is outlined in more detail in section 3.1, below). The changes to local government apply only to England.

2.1 Local transport

Full details of the reform of local transport planning and finance since the election can be found in HC Library standard note SN/BT/5735, [Local transport governance and finance in England, 2010-](#).

The main area where the Coalition Government is devolving and decentralising power and decision making is local transport. In both structures and funding mechanisms, the changes made by the government to date have been designed to give local councils more autonomy. The government is trying to encourage local councils to devolve transport decisions even further by involving local people in 'Big Society'-style initiatives and using 'nudging' rather than legislative measures to drive behaviour change. This section deals with the structural changes designed to devolve transport powers and funding to local level. The following section focuses on specific local transport initiatives to promote sustainability and engage individuals and communities.

Local Enterprise Partnerships

The Coalition Government intends to abolish [Regional Development Agencies \(RDAs\)](#) and the [Government Offices](#) for the regions, putting in place Local Enterprise Partnerships (LEPs). These LEPs will assume responsibility for strategic transport planning at the local level.⁵⁶ All of these changes will have an impact on transport development and consequently how local transport projects obtain funding. Under the system inherited from the Labour Government RDAs took submissions from local authorities as to the transport schemes that they sought to promote; the RDA then decided which schemes to prioritise and bid for investment from central government. This has now changed, with the introduction of LEPs.

The government's proposals for Local Enterprise Partnerships (LEPs) were set out in a 29 June letter from the Secretary of State for Business, Vince Cable, and the Secretary of State for Communities and Local Government, Eric Pickles, to councils and business leaders.⁵⁷ Further information on LEPs was published in the local growth White Paper on 28 October 2010; this stated:

To secure effective business engagement and ensure a strong focus on the needs of the local economy, it is vital that business and civic leaders work together. The Government will normally expect to see business representatives form half the board, with a prominent business leader in the chair. Partnerships will want to work closely with universities, further education colleges and other key economic stakeholders. This includes social and community enterprises, which play an important role in creating local economic growth through providing jobs and training, delivering services and helping create community wealth in some of the most deprived parts of the country.

The Government does not intend to define local enterprise partnerships in legislation. Governance structures will need to be sufficiently robust and clear to ensure proper accountability for delivery. Partnerships will differ across the country in both form and functions in order to best meet local circumstances and opportunities. A partnership

⁵⁶ HM Treasury, [Budget 2010](#), HC 61, June 2010, para 1.89; and: [HC Deb 22 July 2010, c28WS](#)

⁵⁷ [Letter from Cable and Pickles to local authorities](#), 29 June 2010

may need legal personality or a specified accountable body in some circumstances, such as if it wished to own assets or contract to deliver certain functions. The constitution and legal status of each partnership will be a matter for the partners, informed by the activities that they wish to pursue.⁵⁸

A list of those areas that have been invited to form an LEP is available on the BIS website.⁵⁹

It is anticipated that RDAs' activities will wind down to a final end date of March 2012, from which point LEPs will assume the RDAs' transport responsibilities, though there is likely to be a period of overlap.⁶⁰ In September 2010 *Local Transport Today* sketched out the possible role for LEPs in transport governance:

According to Pickles and Cable, one of the key roles for the partnerships will be to ensure that transport policy supports the growth agenda. "Partnerships will want to create the right environment for business and growth in their areas, by tackling issues such as planning and housing [and] local transport and infrastructure priorities," they said.

[...]

The Government has already indicated that it expects LEPs to lead the bids for the new Regional Growth Fund that will be worth £1bn over two years (2011/12-2012/13) (see panel). Transport schemes are among projects eligible for funding. "[Some] areas, particularly those where there are significant existing barriers to growth, may prioritise investments in transport or housing," explained the bidding guidance (LTT 06 Aug).

Councillor David Hall, Somerset County Council's cabinet member for economic development, told LTT: "One thing is clear. These partnerships are likely to be the vehicle for whatever funding is available."

Luton Borough Council says the LEP will probably be 'light touch', "focusing on the strategic lobbying and bidding, leaving delivery at the local level".⁶¹

In a document published alongside the Secretary of State for Transport's statement on transport infrastructure on 26 October, it further states:

... we want to develop a more bottom-up approach, with Local Enterprise Partnerships (individually or in consortia) playing a key role over strategic investment choices in functional economic areas. We are open minded about how such funding mechanisms might work and it need not necessarily be the same for each area. The onus is as much on Local Authorities and Local Enterprise Partnerships themselves as central Government to propose imaginative and workable solutions.⁶²

Some concerns have been expressed about LEPs. In particular, the idea of business, or market-based decisions on where to spend public money in the local government arena is viewed with concern; as is the converse – business is wary of being involved in 'glorified council talking shops'.⁶³ There are also questions about how LEPs will integrate with other local structures, including the new combined authorities which will have control not just of all

⁵⁸ HMG, *Local growth: realising every place's potential*, Cm 7961, October 2010, paras 2.8-2.9

⁵⁹ <http://www.bis.gov.uk/policies/regional-economic-development/leps>

⁶⁰ op cit., *Local growth: realising every place's potential*, para 2.27

⁶¹ "Local Enterprise Partnerships: talking shops or transport drivers?", *Local Transport Today*, 3 September 2010, (LTT 553)

⁶² DfT, *Investment in Local Major Transport Schemes*, October 2010, para 7 [HC DEP 2010-1881]

⁶³ see, e.g.: "LEPs: business led?", *Local Government Chronicle*, 11 November 2010; and: "CBI queries coalition regional plans", *Financial Times*, 28 August 2010

public transport in their areas but will also have highway authority powers.⁶⁴ It is unclear yet where the conflicts might arise between these different bodies or how they might be incentivised to work together. There may also be concerns that the structures and roles of LEPs are so undefined that it would lead to some areas being better provisioned than others, giving them an unfair advantage in bidding for transport scheme grants and funding.⁶⁵

Changes to regional transport funding

This structural reform has been accompanied by a simplification of local transport funding. On 26 October the Secretary of State for Transport, Philip Hammond, announced details of how the system of funding capital projects would be overhauled and what would happen to those projects currently in development.⁶⁶ This basically involves a significant re-evaluation of those major schemes put forward via what used to be the Regional Funding Allocation and dividing them into five categories, based on their current status and their funding viability.⁶⁷

Mr Hammond set out further details in a statement in February 2011, including an announcement that the 10 most viable local authority schemes that the government had said it would support in October had found together total budgetary savings of £45.5 million – 14 per cent of the previously approved sums.⁶⁸ These savings were achieved through a combination of design changes to reduce the overall costs of the schemes and increases in local authority or third party contributions.⁶⁹ Lists of all the major schemes in the five categories outlined by the Secretary of State in October (and updated in February) are available as deposited papers.⁷⁰

These are interim measures until such a time as the LEPs are up and running (most likely beginning financial year 2012/13). The total available budget for local authority major schemes in the period up to 2014/15 is £1.5 billion (£600 million of which is for schemes already in construction).⁷¹

As indicated above, the government is keen to encourage local authorities to obtain investment for their transport schemes – big and small – from sources other than central government, particularly via the direct Formula grant. It may well be that they are hoping particularly for input from the private sector, which as part of their wider reforms, they want to include in local decision making via the introduction of LEPs. There are also examples where there is a benefit to business from a particular transport scheme: Crossrail, in London, is probably the best example of this at the moment.⁷² There are other funding options that the government is making available to local authorities, such as Tax Increment Financing; the Regional Growth Fund; the Green Investment Bank; and PFI.⁷³

⁶⁴ for further information on combined authorities, see: HC Library standard note SN/PC/5268, [Local Democracy, Economic Development and Construction Act 2009: a summary](#)

⁶⁵ “Regional policy will not redress balance in poorer areas”, *The Guardian*, 15 September 2010; the Transport Select Committee raised some of these concerns in a March 2011 report, see: Transport Committee, [Transport and the Economy](#) (third report of session 2010-11), HC 473, 2 March 2011

⁶⁶ [HC Deb 26 October 2010, cc178-179](#)

⁶⁷ op cit., [Investment in Local Major Transport Schemes](#), paras 14-20

⁶⁸ [HC Deb 4 February 2011, cc60-62WS](#)

⁶⁹ DfT, [Investment in Local Major Transport Schemes: Update](#), February 2011, para 2.1 [HC DEP 2011-0205]

⁷⁰ DfT, [Investment in Highways and Local Transport Schemes](#), October 2010 [HC DEP 2010-1881]; and: op cit., [Investment in Local Major Transport Schemes: Update](#)

⁷¹ op cit., [Investment in Local Major Transport Schemes](#), para 10

⁷² for further information on Crossrail and its funding mix, see: HC Library standard note SN/BT/876, [Railways: Crossrail](#)

⁷³ information on TIF, the RGF and the Green Investment bank can be found in: HMG, [Local growth: realising every place's potential](#), Cm 7961, 28 October 2010; information on PFI can be found in HC Library research paper RP 01/117, [The Private Finance Initiative \(PFI\)](#)

2.2 Sustainable and 'green' transport

Aviation

Aviation, particularly domestic air travel, has been criticised for its environmental impacts in terms of air and noise pollution. The government aims to make aviation 'greener' while not resorting to any restrictions on air travel.⁷⁴ It also hopes that its proposed high speed rail line from London to the north of England and Scotland will provide a more attractive option to domestic flights.

The government's policy on airport expansion is different in the South East than in the rest of the country. The Coalition Agreement states that the government "will cancel the third runway at Heathrow [and] refuse permission for additional runways at Gatwick and Stansted".⁷⁵ On 15 June 2010, the government announced the formation of a South East Airports Task Force to examine how airports in the region can be improved without the need for further runways:

... with key players from across the industry to explore the scope for other measures to help make the most of existing airport infrastructure and improve conditions for all users. The group will be chaired by the Minister of State, Department for Transport, the right hon. Member for Chipping Barnet (Mrs Villiers) and its initial focus will be on action at our three biggest airports-Heathrow, Gatwick and Stansted.⁷⁶

The group will focus on the passenger experience and is expected to report in mid-2011.⁷⁷ The government is facing calls from business, particularly in London, to look again at this non-expansion policy for the bigger airports in the south east.⁷⁸ Environmental groups are concerned that airport expansion elsewhere continues unabated and have questioned how this chimes with the government's aim to be a 'green government'.⁷⁹

As part of the government's efforts to improve airports, the 2010 Queen's Speech stated an intention to introduce a Bill to "reform the economic regulation of airports to benefit passengers".⁸⁰ The *Airport Economic Regulation Bill* has yet to be introduced. Preliminary information indicated that it would "replace the existing system for setting price caps at airports which are subject to economic regulation with a more flexible framework focused on the outcomes that matter to passengers".⁸¹ Following the extreme weather conditions in winter 2010/11 the Transport secretary indicated that this may include economic penalties for service failures during weather disruption.⁸²

The previous Labour Government's 2003 aviation White Paper remains the key policy document in this area, even though the new government has a fundamentally different approach to airport expansion in the South East. The intention was for a new National Policy Statement on Aviation to take the place of the 2003 White Paper sometime in 2011.⁸³ The

⁷⁴ [HC Deb 17 June 2010, c1004](#)

⁷⁵ op cit., *The Coalition: Our Programme for Government*

⁷⁶ [HC Deb 15 June 2010, c48WS](#)

⁷⁷ [HC Deb 5 July 2010, c19W](#)

⁷⁸ London Chamber of Commerce press notice, "[Heathrow expansion must not be ruled out](#)", 18 January 2011

⁷⁹ e.g.: "[City Airport expansion highlights scale of aviation dilemma](#)", *The Ecologist*, 21 January 2011

⁸⁰ [HC Deb 25 May 2010, c31](#)

⁸¹ Number 10 press notice, "[Queen's Speech – Airport Economic Regulation Bill](#)", 25 May 2010; further details were published in July 2010, see: [HC Deb 21 July 2010, cc20-21WS](#); DfT, [Granting CAA Concurrent Competition Powers: Analysis of Consultation Responses and Government's Decision](#), 21 July 2010; and: DfT, [Promoting Financial Resilience for Major Airports: Analysis of Consultation Responses and Government's Decision](#), 21 July 2010

⁸² "Heathrow faces fines for chaos", *The Sunday Times*, 26 December 2010; for more information on transport and extreme weather see section 3.3, below

⁸³ CLG, [Infrastructure Planning Commission: Implementation route map](#), December 2009, para 46

government has announced that a scoping document for a new National Policy Statement on aviation will be published in March 2011 with a view to launching a consultation on a draft Statement in March 2012.⁸⁴

Local Transport Plans

As indicated above, one of the impetuses behind the abolition of the Government Offices and the RDAs is to devolve more power to local authorities. As such it will be local authorities themselves and as part of the broader LEPs, that will have control over their transport plans and major schemes.

The Local Transport Plan (LTP) process, introduced by the previous government, was meant to ensure a more rigorous regime for local transport planning. It did this by the use of various criteria and targets, set out in the guidance. As time went on and the LTP process bedded down, the guidance tended to become less restrictive.⁸⁵ The third round of LTPs, due to take effect from April 2011, will be the last round that has to be reviewed on a five-yearly basis. It will be up to local authorities to decide when to review their LTP. The government has confirmed that local authorities will have to stick to the April 2011 timeframe for LTP3.⁸⁶ As part of their LTPs, local authorities must have regard to five national transport goals, three of which link directly into sustainable and 'green' transport: reducing carbon emissions; contributing to better safety, security and health; and improving quality of life and a healthy natural environment.⁸⁷ The new government did not alter the Labour Government's guidance to local authorities for LTP3.

Local Sustainable Transport Fund

The government has opted to support local sustainable transport initiatives via a specific Local Sustainable Transport Fund (LSTF). Following the October 2010 Spending Review the DfT confirmed that 26 grants currently going to local authorities to support various transport initiatives would be scrapped and replaced with four funding streams, one of which would be the LSTF. The DfT explains the fund as follows:

We are establishing a £560 million local sustainable transport fund to challenge local authorities outside London to bid for funding to support packages of transport interventions that support economic growth and reduce carbon emissions in their communities as well as delivering cleaner environments and improved air quality, enhanced safety and reduced congestion.

This replaces a range of previous grants for sustainable forms of travel. It represents a significant increase in funding for sustainable travel, which the Government believes can both support economic growth and reduce carbon emissions.

Responding to calls from local government, the Fund will include a mix of £350m revenue and £210m capital funding over the next four years to maximise the toolkit of options available to local authorities

A small proportion of the fund will be allocated to provide continued funding for the successful Bikeability scheme, which offers high quality cycle training for young people. For the remainder of the funding, we will invite local authorities to develop

⁸⁴ CLG, *Major infrastructure planning reform : Work plan*, December 2010, para 30; further information is available in HC Library standard note SN/SC/5041, *Major Infrastructure Planning*

⁸⁵ see, for example, the difference between the 2000 and the 2009 guidance: DETR, *Guidance on full local transport plans*, March 2000; and: DfT, *Guidance on Local Transport Plans*, July 2009

⁸⁶ "Councils must adhere to LTP deadline – Baker", *Local Transport Today*, 23 July 2010 (LTT 550)

⁸⁷ op cit., *Guidance on Local Transport Plans*, chapter 3

packages of low cost, high value measures which best meet their local needs and effectively address local issues.⁸⁸

In December 2010 the Transport Minister, Norman Baker, published further details of the scheme. He said that a portion of the LSTF would be put aside for [Bikeability](#) training to 2014-15; with further funds in 2011-12 specifically for [Links to Schools](#), [Bike Club](#) and walking to school initiatives; the [Transport Direct cycle journey planner](#); and business to business initiatives on alternatives to travel. The application process is designed to be as flexible as possible, with little direction from the Department and bids are encouraged in conjunction with the community/voluntary and/or private sector:

The application process is being designed to be as simple and straightforward as possible with the flexibility to deal with proposals to the fund of different complexity and scale. Local authorities will also be given a choice as to when to apply to the fund in recognition that they will be at different levels of readiness to submit proposals, with two rounds of bidding; one closing in April, the other at a later date.

I am writing today to local transport authorities in England (outside London) inviting them to start preparing and developing their proposals and to consider what skills and resources they will require. Bids from local transport authorities will be particularly welcome if they can demonstrate support from, and the involvement of, voluntary and community organisations, and the private sector. The ability to lever in financial contributions from external sources will also be taken into account in assessing value for money.⁸⁹

Localism in practice

As indicated in section 1, the idea of involving community and voluntary groups to deliver transport schemes as part of the 'Big Society' agenda is one very much favoured by the government. The local transport White Paper, published in January 2011 makes it clear that "encouraging sustainable transport choices depends on local solutions" and explains the role that the government envisages for local authorities and voluntary and community groups:

Citizens acting together can also help to facilitate the delivery of local transport solutions that meet the needs of local people, and this in turn can create growth. Partnership working with the Voluntary, Community and Social Enterprises sector and local communities can make an important contribution to local economies and to individuals' quality of life, enabling individuals' access to employment and key services, and adding value to our transport networks. Central government will continue to facilitate delivery of sustainable local transport schemes by removing burdens and encouraging their inclusion in the mainstream transport planning process.

The Government believes that effective sustainable local transport is delivered through solutions developed for the places they serve, tailored for the specific needs and behaviour patterns of individual communities. We will free local authorities from central government control, letting them decide what is best.⁹⁰

Some local authorities are already pursuing this approach. In his July 2010 speech, the Prime Minister said that four local authorities would test ways of devolving power over services to local residents and community groups under a 'Big Society' approach. Two of those authorities – the London Borough of Sutton and Windsor & Maidenhead – have been

⁸⁸ DfT press notice, "[Transport Spending Review Press Notice](#)", 20 October 2010

⁸⁹ [HC Deb 13 December 2010, cc82-84WS](#)

⁹⁰ DfT, [Creating Growth, Cutting Carbon: Making Sustainable Local Transport Happen](#), Cm 7996, January 2011, paras 12-13; the White Paper also discusses the use of 'nudging' to 'enable sustainable transport choices', see chapter 4

looking at transport schemes. In December 2010 *Local Transport Today* reported that Sutton is involving residents in transport proposals prior to the consultation phase to allow input before a final plan is developed. Sutton is also looking at ways for the authority and communities to work together, for instance by using residents as ‘community ambassadors’ to promote sustainable travel choices. Windsor & Maidenhead is involving local people and parish councils in its budget allocation process and is also looking at ways to consult that allow an input into decision making, for example:

Windsor & Maidenhead cabinet members have in mind that residents would be asked to rank a list of, say, eight projects in priority order, of which the most popular two or three would be delivered with a £300,000 budget.

In a pilot for 2010/11, residents chose three items, two of which were transport projects – improving cycling facilities and a mini gritter and snow plough for clearing school entrances. Members are considering adding projects that were not successful in the vote last year, including street lighting and traffic calming schemes.⁹¹

However, there may be some tension between the government’s sustainability agenda and the local authority budget cuts which it is pushing through.⁹² There have been reports that policies such as ‘smarter choices’ are one of the areas being targeted by local authorities for cuts. Smarter choices are techniques for influencing people’s travel behaviour towards more sustainable options such as encouraging school, workplace and individualised travel planning. They also seek to improve public transport and marketing services such as travel awareness campaigns, setting up websites for car share schemes, supporting car clubs and encouraging teleworking.⁹³ Travel behaviour change organisation ACT Travelwise told LTT in January 2011 that the ‘smarter and sustainable transport’ profession is taking the “lion’s share” of cuts to local authority transport teams and that “the private sector are also cutting smarter travel experts from their teams due to lack of perceived local government expenditure in the area”.⁹⁴ Local authorities hope that the LSTF will provide funds to support these schemes.

Another area of concern is in the provision of bus services. A combination of general cuts to local authority budgets, changes to the administration of concessionary fares and a reduction in bus service operators’ grant (BSOG) has led many organisations and local councils to express concerns about the ability of local authorities in future to fund subsidised bus services.⁹⁵ The vast majority of buses in England are run on a commercial basis. This means that when people talk about thirty or fifty per cent cuts to subsidised bus services, this is a percentage of the much smaller number of non-commercial services. The Department for Transport calculates that subsidised bus services funded by local authorities accounted for 22 per cent of the total mileage operated by bus services in 2009-10 in England outside London.⁹⁶ However, the Campaign for Better Transport (CBT) has stated that this masks wide variations around the country, so, for example, only five per cent might be subsidised in an urban area while the figure might be closer to 100 per cent in a rural area.⁹⁷ CBT has

⁹¹ “Councils get to grips with delivering a Big Society approach to transport”, *Local Transport Today*, 21 December 2010 [LTT 561]

⁹² for an overview of the size of the cuts to local authorities and an analysis of their impact, see: HC Library standard note SN/SG/5801, [Local Government Finance Settlement 2011/12 & 2012/13 – initial analysis](#)

⁹³ for details of smarter choices programmes and their effectiveness, visit the dedicated ‘Smarter Choices’ page on the Department for Transport website

⁹⁴ “‘Smarter travel’ agenda in fight for survival as council cuts bite”, *Local Transport Today*, 14 January 2011 [LTT 562]

⁹⁵ see, for example, the ‘Save Our Buses’ campaign by the Campaign for Better Transport

⁹⁶ [HL Deb 22 December 2010, c322WA](#)

⁹⁷ CBT, [A Short and Practical Campaigning Guide to Save Your Bus](#), February 2011, p2

surveyed local authorities in England about proposed cuts. These responses can be viewed on the [CBT's interactive bus map](#).

As indicated above, the government has consolidated a large number of ring-fenced grants into the general Formula Grant allocation; this gives local authorities more freedom about what they decide to spend their budgets on. Some local authorities may decide to make a low level of cuts across a wide number of services; others might make deep cuts in a smaller number of services; in either or both cases, this could affect subsidised bus services and would have a wider impact in those areas where there are more subsidised services as a proportion of all bus services (largely rural areas). This is part of a wider issue about how local authorities make decisions in a climate where they have to save an overall amount of money from their budgets and has brought into focus local authority spending on things like executive pay and office refurbishment.⁹⁸

2.3 'Ending the war on the motorist'

During the Labour years a perception developed in some quarters that the government was waging a 'war on the motorist'.⁹⁹ For example, a 2008 paper for the Conservative Way Forward group stated that drivers were over-taxed; there was under-investment in road infrastructure; planning policies aimed at reducing car use (such as limiting parking spaces and implementing bus priority measures) had failed; road safety policy was driven by "a covert desire to discourage car use"; and there had been a boom in enforcement (particularly speed enforcement) as a revenue-raising measure.¹⁰⁰

In interviews given immediately after becoming Secretary of State for Transport in May 2010 Philip Hammond said that the government would "end the war on motorists".¹⁰¹ This assertion was supported by commitments in the Coalition Agreement to stop central government funding for new fixed speed cameras and to 'tackle rogue private sector wheel clampers'. The Agreement omitted any mention of road pricing or charges.

Speed cameras

Perhaps the most controversial part of this package was the end of central government funding for speed cameras. Cameras have long been the bane of various driving organisations and others who contest their effectiveness.¹⁰² In June 2010 the Roads Minister, Mike Penning, wrote to local authorities announcing the government's intention to abolish the road safety capital grant from 2011-12, much of which was spent on funding new cameras, and to change road safety revenue funding:

... while camera operations will have a continuing role, I want to see authorities considering the potential of the full range of local road safety interventions, including educational or engineering solutions. Second, I want to ensure that local partners are accountable to local voters for the decisions they take on the location of cameras and the scale of camera operations, and for the financial consequences of those decisions.

In order to achieve these objectives, I will be doing two things. First, I will be making changes to the arrangements for funding road safety activities at local level. After this

⁹⁸ see, e.g.: TaxPayers' Alliance, *Town Hall Rich List 2010*, Research Note 65, April 2010; and: "London councils spend £30m on refurbishments", *BBC News Online*, 12 January 2011

⁹⁹ this was taken up particularly by some of the popular press; others argue that it was effectively a fiction; for opposing views, see, e.g.: "Road toll petition: 'What prat thought this up?'" , *The Daily Mail*, 14 February 2007; "Speed camera-mad Britain losing road deaths battle", *The Daily Mail*, 15 June 2007 and "In search of the famous 'war on motorists'", *George Monbiot's blog*, 4 January 2011

¹⁰⁰ Malcolm Heymer for Conservative Way Forward, *Stop the war against drivers*, 2008

¹⁰¹ "Coalition will "end war on the motorist", *Transport Secretary pledges*", *The Daily Telegraph*, 13 May 2010

¹⁰² full details of these views and speed camera policy more generally can be found in HC Library standard note SN/BT/350, *Roads: speed cameras*

financial year, we will be ending the discrete road safety capital grant, which has been closely associated with paying for new speed cameras. We will also be reviewing the future arrangements for resource support to local authorities, as part of a wider planned rationalisation of funding support to local authorities.¹⁰³

On 10 June cuts to in-year local authority transport grants were also announced. One item to be cut was the road safety grant:

Road safety funding - £37.797m. £20.592m is proposed to be removed from road safety revenue grant (paid out via Area Based Grant) in the last four months of 2010/11 and £17.205m road safety capital grant originally due to be paid in May. This represents a reduction of 27% in the revenue grant and all of the capital grant.¹⁰⁴

In response to this immediate cut a number of areas announced a scaling back or complete end to their camera operations. For example, Oxfordshire and Wiltshire switched off all their cameras, while Bracknell Forest in Berkshire, Gloucestershire, Thurrock in Essex and Kent announced cuts to their schemes. Devon and Hertfordshire indicated that their operations may also be affected by the end to the direct grant this year.¹⁰⁵ Previously, there was a report that nearly half of speed cameras in London were switched off but had been left in place to deter motorists.¹⁰⁶ In January 2011 *Which?* published a report stating that over half of all speed cameras in England and Wales are switched off.¹⁰⁷

Parking and wheel clamping

In December 2010 the government published new transport planning guidance, which removed the requirements on local authorities regarding their parking provision and charges. Previously, Planning Policy Guidance 13 (PPG13) required that local authorities use maximum parking standards for residential development and set parking charges to encourage the use of alternative forms of transport. Both these measures have now been deleted.¹⁰⁸ The Labour Government had introduced these measures as part of their efforts to curb congestion and encourage greener transport, particularly in urban areas.¹⁰⁹ The Coalition Government still claims this as one of their goals, but this change in policy appears to indicate that the government believes that local authorities are best placed to decide how to achieve these ends, rather than relying on central government guidance.

The right to clamp vehicles parking on private land has been a constant source of controversy for many years.¹¹⁰ The Labour Government introduced a licensing system for clamping companies in its second term and in 2009-10 it legislated to give itself powers to require these companies to put up adequate signage, limit fines and sign up to a proper appeals process. The secondary legislation required to bring these later measures into force was not introduced before the general election. The Coalition Government came into office promising to address the problem and in August 2010 the Home Office Minister, Lynne

¹⁰³ [Letter to Mike Penning to local authorities](#), 24 June 2010 [HC DEP 2010-1514]; these arguments about increasing local authority flexibility as to how they spend their budgets are in many ways an extension of the reasons given by the previous Labour Government for ending direct camera funding and allocating instead a broader road safety grant

¹⁰⁴ CLG, [Local government's contribution to £6.2 billion efficiencies in 2010-11](#), 10 June 2010, pp7-8 [HC DEP 2010-1284]

¹⁰⁵ ["Poll: more councils cutting speed cameras"](#), *The Independent*, 21 August 2010; and ["Could localism agenda save speed cameras from the scrapheap?"](#) *Local Transport Today*, 6 August 2010 [LTT 551]

¹⁰⁶ ["Nearly half of speed cameras in London are switched off, says Met"](#), *London Evening Standard*, 30 December 2008

¹⁰⁷ *Which?* press notice, ["Half of speed cameras don't work at any one time"](#), 27 January 2011

¹⁰⁸ CLG press notice, ["Pickles and Hammond to end the war on motorists"](#), 3 January 2011; the [new PPG13](#) guidance is available on the CLG website

¹⁰⁹ DETR, [A new deal for transport: better for everyone](#), Cm 3950, July 1998, paras 4.163-4.166

¹¹⁰ full details can be found in HC Library standard note SN/BT/1490, [Parking: wheel clamping](#)

Featherstone, announced the government's intention to introduce measures in a 'Freedom Bill' to provide for an outright ban of clamping on private land, where it is carried out by private companies (government agencies would still be able to clamp on private land for certain specific purposes).¹¹¹ This measure is included as clause 54 of the *Protection of Freedoms Bill*, currently before the House. The Bill also abolishes the licensing regime set up under the previous government.

Highway maintenance and road works

Another area of concern to motorists is the state of the road network and congestion and disruption caused by road works.¹¹²

As indicated above, as part of the government's localism agenda, it is amalgamating many ring-fenced budgets into the single Formula Grant pot so that local authorities are free to spend money on their priorities, rather than being forced by central government to spend it in particular areas. The Local Government Minister explained the general position in the House before Christmas:

Local authorities are independent bodies who are directly accountable to their electorates. It is for them to decide how to spend their budgets, taking account of their responsibilities and duties. This Government have given them more freedom to do so, by ending ring-fencing of all revenue grants from 2011-12, except simplified school grants, and a new Public Health Grant from 2013. We have also significantly streamlined grant funding, by rolling around £4 billion of grants in 2010-11 into the unhypothecated formula grant and reducing grants for local government from over 90 to fewer than 10.¹¹³

As part of this general move, from 2011-12, the 26 separate transport funding streams to local authorities will be amalgamated into four. The money which has been specifically allocated to road maintenance will be rolled up into the Formula Grant, so it will be for local authorities to decide how much to spend on road maintenance.¹¹⁴ This year (2010-11) there was an additional grant to local authorities to tackle pot holes, totalling £84 million.¹¹⁵ In February 2011 the Secretary of State announced a further £100 million funding to local councils to spend on repairing their roads. Councils are expected to place a note on their websites by the end of September 2011 explaining to their local residents where the money has been spent.¹¹⁶

Funding aside, local highway authorities have a legal duty to maintain the highway under section 41 of the *Highways Act 1980*, as amended. Further, there are standards of repair that they must follow, set out in *Well-maintained Highways: Code of Practice for Highway Maintenance Management*, published in July 2005 by the UK Roads Liaison Group (UKRLG). It is not a statutory document but is published with the backing of central and local government. Chapter 5.4 of the guidance addresses highway asset management and recommends that all local authorities adopt a 'Highway Asset Management Plan'.¹¹⁷

As to road works, Transport Minister Norman Baker gave an idea of the government's thinking in this area in response to a Parliamentary question in September 2010:

¹¹¹ Home Office press notice, "[Government announces ban on wheel clamping](#)", 17 August 2010

¹¹² weather-related maintenance is dealt with in section 3.3, below

¹¹³ [HC Deb 15 December 2010, c814W](#)

¹¹⁴ [HC Deb 22 November 2010, cc33-34W](#)

¹¹⁵ *ibid.*

¹¹⁶ DfT press notice, "[More than £100 million of extra funding to repair winter potholes](#)", 23 February 2011

¹¹⁷ *UK Roads Liaison Group, Well-maintained Highways: Code of Practice for Highway Maintenance Management, July 2005*, chapter 5.4

It is for local highway authorities to ensure effective management and co-ordination of street works on their highways, where necessary using the powers available to them under the New Roads and Street Works Act 1991 and the Traffic Management Act 2004. The Government would particularly encourage local highway authorities to consider the positive contribution that permit schemes can make in reducing the disruption caused by works. The Government also believe there could be a role for stronger financial incentives to minimise disruption, and are considering responses to a recent consultation on proposals to increase the penalties that can be applied where works overrun on traffic sensitive streets. The Government are also exploring the potential for lane rental schemes targeted on the most critical parts of local highway networks. The Department for Transport is also working with those involved in street works to progress non-regulatory measures, including the identification and dissemination of best practice in street works management and better use of local performance data to help identify strengths and areas for future improvement.¹¹⁸

Road pricing and charging

One of the most controversial transport policies of the Labour Government was its plan to implement a national road pricing scheme, coupled with its support for local road charging. Labour did abandon its national pricing policy in its third term but prior to that it had introduced legislation to permit local authorities to implement local congestion or workplace charging schemes if they liked.¹¹⁹ London, Nottingham and Durham are the only places to have done so. The Coalition Government has ruled out any national road pricing scheme; in the House on 15 June 2010 Mr Penning said: “The Secretary of State has ruled out for the duration of the Parliament national road pricing for cars on existing roads and any preparation for such a scheme beyond that time horizon”.¹²⁰ However, this is one of those policy areas where there is a difference between the coalition partners: the Conservatives have long opposed road pricing and local charging, while the Liberal Democrats have historically been in favour of both. Indeed, the Liberal Democrat Manifesto stated that it would “undertake preparations for the introduction of a system of road pricing in a second parliament”.¹²¹

As to local road charges and other forms of tolls, the enabling legislation introduced by the previous government will remain on the statute books. While the Conservatives do not like road pricing or charging, it would seem unlikely that the government would seek to repeal the enabling legislation for charging schemes. For one thing, it would contradict its own localism policy¹²² and for another, in a time of budgetary cuts for local authorities, this would be one way for them to raise money locally to fund transport investment. In his appearance before the Transport Committee on 26 July 2010 the Secretary of State for Transport, Philip Hammond, alluded to the issue:

First of all, as you will know, the Coalition Government has ruled out the introduction of national road user charging during the current Parliament other than for heavy goods vehicles, where we have a commitment to introducing a lorry road user charge. This is for existing road infrastructure. We are however completely open to the suggestion that entirely new roads could be funded by private capital supported by tolling or charging for the use of those roads. We will look at any propositions that are put forward by promoters for such schemes. My understanding is that one or two local authorities

¹¹⁸ [HC Deb 16 September 2010, cc1245-46W](#)

¹¹⁹ full details can be found in HC Library standard notes SN/BT/1171, [Roads: local road charges](#); and SN/BT/628, [Roads: Workplace Parking Levy \(WPL\)](#)

¹²⁰ [HC Deb 15 June 2010, c379W](#)

¹²¹ op cit., [Liberal Democrat Manifesto 2010](#), p80

¹²² as an example of such local decision-making, the Conservative Mayor of London, Boris Johnson, repealed the western extension of the London Congestion Charge zone in December 2010; for further information see HC Library standard note, SN/BT/2044, [Roads: charging in London](#)

around the country, I think perhaps anticipating that public capital funding for favoured schemes may be in short supply, are indeed looking at whether there are practical schemes that could be promoted, funded by user charging.¹²³

While road pricing and charging is clearly politically difficult and unpopular with drivers, it is the type of market-orientated solution to congestion that one might otherwise expect conservatives and liberals to embrace. For example, the Adam Smith Institute has long taken the view that “road space is an asset like any other. Users should be charged for using it, at the point of consumption”.¹²⁴ Other think tanks on the right have expressed similar views.¹²⁵ One might also consider it a classic example of a ‘nudge’ initiative – encouraging people to change their behaviour with the use of a price signal, rather than via legislative or regulatory fiat.¹²⁶

Road taxes and fuel prices

For further information on fuel prices, see: HC Library standard notes SN/SG/2638, [Road fuel prices](#); and SN/BT/824, [Taxation of road fuels](#).

Many of those who advocate some form of road charging argue that it is a fairer way of pricing road use than the current system where use is mainly priced via taxes such as Vehicle Excise Duty¹²⁷ and fuel duty. The TaxPayers’ Alliance has calculated that for 2008-09 motorists were paying almost £18 billion in ‘excess’ taxes.¹²⁸ This is a particular concern when fuel prices are high. There is much debate about whether the government will implement the ‘fair fuel stabiliser’ that the Conservatives proposed before the election. In effect, this would mean that the government would reduce road fuel tax when crude prices were high and increase it when crude prices were lower, therefore smoothing out fluctuations in the overall retail price. There was no specific commitment on this in the Coalition Agreement, but in its first Budget in June 2010, the government stated that it would “examine options for the design of a fair fuel stabiliser”.¹²⁹ At Prime Minister’s Questions on 12 January 2011, Mr Cameron confirmed that the Treasury was looking at this issue, “because clearly there is a case for saying that if it can be shown that the Treasury benefits from extra revenue as the oil price rises, there should be a way of sharing that with the motorist who is suffering from high prices”.¹³⁰

Alternative fuels

As part of its programme to ‘end the war on the motorist’, the government has argued that, instead of attempting to force or price drivers out of their cars, there should be an effort to decarbonise road transport by encouraging the uptake of electric and hybrid vehicles. This is in line with the government’s ‘nudging’ strategy of encouraging behaviour change without using coercion.

¹²³ Transport Committee, [Uncorrected evidence: The Secretary of State's priorities for transport](#), HC 359, 26 July 2010, Q17

¹²⁴ there are a number of reports giving the ASI view in more detail, see, e.g.: Patrick Mumford for the ASI, [The Road from Inequity](#), November 2000; and: John Cheese for the ASI, [Charging Ahead](#), November 1999

¹²⁵ the IEA has published reports in support of the idea, e.g.: Glaister & Graham for the IEA, [Pricing our Roads: Vision and Reality](#), 2004; as has Policy Exchange: Wellings & Lipson for Policy Exchange, [Towards Better Transport](#), January 2008; and Reform: Reform, [Road to Recovery](#), October 2009

¹²⁶ Susan Kramer, the former Liberal Democrat MP, discussed road charging/pricing in these terms in a chapter for [The Orange Book](#), see: op cit., pp174-190

¹²⁷ full details can be found in HC Library standard note SN/BT/1482, [Vehicle Excise Duty \(VED\)](#)

¹²⁸ calculated by subtracting the cost of road building and the ‘social cost’ of greenhouse gas emissions from road transport from the amount paid in motoring taxes; for more information, see: TaxPayers’ Alliance, [Excessive motoring taxes](#), Research Note 81, 20 January 2011

¹²⁹ HM Treasury, [Budget 2010](#), HC 61, June 2010, para 1.121

¹³⁰ [HC Deb 12 January 2011, c285](#)

It is not, however, a new idea. As long ago as 2004 the Transport Select Committee published a report looking at the emerging alternative fuel market for motor vehicles, including electric vehicles, hydrogen, hybrids and the use of biofuels and Liquefied Petroleum Gas (LPG).¹³¹ At the time, the Committee did not think that it was worth the government of the day implementing “a wholesale replacement of the national fuel infrastructure”, but it did state that the government “should develop a ‘road map’ for future fuel infrastructure, which determines the timescale, legislation and investment required”.¹³² The Labour Government funded a number of projects in this area and in 2009 it launched a strategy for ultra low carbon vehicles, which the Coalition Government supports and has continued. The strategy includes £250 million for consumer incentives to reduce the price of electric and plug-in hybrid cars, from 2011 onwards – around £20 million of this would be used to develop an electric vehicle charging infrastructure framework – and a number of programmes to support research, development and demonstration of low carbon vehicles.¹³³ Further details of the various schemes such as the plug-in car grant and the plugged-in places scheme are available on the [Office for Low Emission Vehicles](#) website.¹³⁴

Some question the value of this type of government-driven programme, and particularly about the ability of electric vehicles to replace the petrol or diesel car for long distance journeys.¹³⁵

2.4 Re-evaluating rail

Rail accounts for eight per cent of all annual passenger miles, yet consumes 36 per cent of public expenditure on roads and public transport. With this in mind, and in the context of anticipated cuts to the Department for Transport’s budget (irrespective of the outcome of the general election), the then Secretary of State, Lord Adonis, announced in December 2009 that he had asked Sir Roy McNulty¹³⁶ to undertake a review of value for money in the UK rail industry.¹³⁷ Sir Roy produced a scoping report, published in June 2010, and an interim report, published in December 2010.¹³⁸ The Secretary of State, Philip Hammond, outlined the headline conclusions of the interim report as follows:

Sir Roy McNulty’s value for money review has reached some important interim conclusions. In his interim report being published today and being made available in the Library of the House he finds that:

- the railway is costing more than it used to and more than it ought to. Greater efficiency would realise savings of £600 million-£1,000 million per annum by 2018-19 without cutting services or lowering quality;
- the key to securing these efficiencies is a cross-industry focus on reducing costs and improving value for money;

¹³¹ Transport Committee, *Cars of the future* (seventeenth report of session 2003-04), HC 319, 8 November 2004

¹³² *ibid.*, para 46

¹³³ DfT, *Ultra Low Carbon Vehicles in the UK*, April 2009

¹³⁴ an overview of electric car technology and viability can be found in: POST, *Electric Vehicles*, POSTnote 365, October 2010; for a view from the US, see: US National Research Council, *Transitions to Alternative Transportation Technologies—Plug-in Hybrid Electric Vehicles*, 2009; and for a view from Australia, see: Australian Parliamentary Library, *How green is the Green Car Innovation Fund?*, May 2010

¹³⁵ see, e.g.: “[Steve Baker MP: Britain’s low-carbon transport future will rely on petrol and diesel](#)”, *Conservative Home Comment*, 4 February 2011

¹³⁶ the former Chairman of the Civil Aviation Authority

¹³⁷ the *Terms of Reference* are on the Department for Transport website

¹³⁸ DfT, *Rail Value for Money Study – Scoping Report*, June 2010; *Rail Value for Money Study – Interim Report*, December 2010

- that in turn demands closer working and alignment of incentives between train operators and Network Rail and strong leadership across the industry. Inevitably, such alignment, if it is to be effective, will involve Network Rail working more closely at a local level with train operators.

The most pressing need is to ensure that incentives across the industry are aligned, so that all parties strive to improve the quality of services and to provide value for money for taxpayers and passengers. Train operators are too narrowly focused on franchise specifications (which are often over-detailed). Network Rail has concentrated on network performance and safety targets. These are important objectives. But there is no cross-industry focus on the fundamental purpose of the railway-moving people and goods efficiently across a network while securing the best long-term value for money for farepayers and taxpayers.¹³⁹

Consequently, Mr Hammond announced that he had established a high-level group, that he would chair, to examine the options for “getting those responsible for track and train to work together to drive down the cost of the railway for the benefit of passengers and taxpayers, while improving the quality of services”. Sir Roy’s final report will inform the group’s work. The group will consider options for structural reform in the industry with the aim of publishing proposals by November 2011.¹⁴⁰

Network Rail has already indicated that it is restructuring itself into regional business units.¹⁴¹ This type of restructuring has been proposed in the past as a possible precursor to re-privatising the company.¹⁴² Privatisation could raise a significant amount of money for the Treasury; for example, in July 2010 the last Rail Regulator, Tom Windsor, estimated that if NR were privatised it could raise ‘at least’ £12 billion and the reintroduction of shareholders to the company would make it more accountable.¹⁴³

Passenger franchising

Both the Conservatives and the Liberal Democrats criticised the Labour Government’s approach to franchising policy when they were in opposition. One of the Conservatives’ constant criticisms was the over-specification of franchises by the Department for Transport. They argued that franchises had become so detailed, complex and over-specified that they, in effect, wedded both the private sector and government into iron-clad ‘contracts’ within which there was little room to adapt to changing travel patterns, industry innovation or financial circumstances.¹⁴⁴ The Liberal Democrats also called for longer, passenger-focused franchises.¹⁴⁵

In line with these criticisms, the Coalition Agreement stated that the government “will grant longer rail franchises in order to give operators the incentive to invest in the improvements passengers want – like better services, better stations, longer trains and better rolling stock”.¹⁴⁶ On 17 June 2010 the Minister for Transport, Theresa Villiers, indicated that the

¹³⁹ [HC Deb 7 December 2010, cc15-16WS](#)

¹⁴⁰ *ibid.*, c16WS

¹⁴¹ NR press notice, “[Network Rail moves to create devolved business units](#)”, 21 February 2011

¹⁴² see, e.g.: “[Train operators call for breakup of Network Rail](#)”, *The Guardian*, 21 September 2010

¹⁴³ “How to derail the Budget deficit: privatise Network Rail”, *The Times*, 6 July 2010; the rail commentator, Christian Wolmar, argued that this is a ‘non-starter’, see: “[Rocky times ahead for Network Rail](#)”, *Rail Magazine*, 11 October 2010

¹⁴⁴ Conservative Party, *Conservative rail review: getting the best for passengers*, February 2009, section 5.4; and: *op cit.*, *Invitation to join the Government of Britain: the Conservative manifesto 2010*, p23

¹⁴⁵ Liberal Democrats press notice, “[Government must scrap rail franchise system says Norman Baker](#)”, 22 September 2009; the 2009 Party Conference passed a motion on the same, see: *Policy Motion: Rail Franchises - carried*, 22 September 2009

¹⁴⁶ *op cit.*, *The Coalition: Our Programme for Government*; full details of the government’s plans for franchise reform can be found in HC Library standard note SN/BT/1343, [Railways: passenger franchises](#)

government would “shortly begin a consultation exercise on the future of rail franchising policy”. In tandem with this, she announced that those franchises currently in the process of being re-let would be cancelled, to be re-let in 2011, after the results of the consultation were known.¹⁴⁷ The consultation was published on 22 July and asked for views on the government’s proposals to reform franchising, within the context of the anticipated spending cuts to come later in the year.¹⁴⁸ The government’s view as to what is wrong with the system as it stands was set out in Ms Villiers’ foreword to the consultation document:

The Government believes that the existing system of rail franchising has become too prescriptive at the point of bidding, and lacks flexibility once operational. Arguably, the Government now exercises more control over the railways than in the days of British Rail. As set out in the Coalition Agreement, we believe significant private investment could be released by granting longer franchises, resulting in important benefits for passengers. We want this investment to help us deliver the important enhancements to the railway which can have such a big impact on the passenger experience, such as station improvements, better trains, more car and cycle parking and higher quality services.

Longer franchises could also make it easier to establish the successful long term working relationships between train operators and Network Rail which are so vital to running efficient and successful railways.

We also need to move away from a system which sees Whitehall specifying highly detailed and prescriptive inputs in franchises. Instead, we want to see a stronger focus on the quality of outcomes for passengers, giving more flexibility to the professionals who run our railways to apply innovation and enterprise in working out the best way to deliver those outcomes. And we need a more qualitative approach to assessment of franchise bids – one which judges the quality of the overall package of proposals they contain to invest in the railways, improve services and grow passenger numbers, rather than focusing solely on the binary question around the level of subsidy or premia to be paid.¹⁴⁹

The key issues for consideration included: franchise length; ensuring value for money for the taxpayer; deciding on the minimum specification required by government; the franchising process; and how to best manage performance, risks and outputs.¹⁵⁰ The consultation document acknowledged that many of these issues are interrelated, for example:

... when considering the appropriate risk and reward mechanism, we must also consider franchise length and the level of specification and contractualisation. Without considering these issues together, we risk disadvantaging the passenger and taxpayer or setting a contract that is not commercially attractive to bidders (and hence more expensive to procure).¹⁵¹

The consultation closed on 18 October 2010. The government published its response to the consultation on 19 January 2011, setting out its initial views on how it intends to proceed with future franchising.¹⁵² The ‘key principles’ that the government intends to apply were set out by Ms Villiers in a written statement to Parliament:

¹⁴⁷ [HC Deb 17 June 2010, c58WS](#)

¹⁴⁸ [HC Deb 14 June 2010, c44WS](#)

¹⁴⁹ DfT, [Reforming Rail Franchising](#), July 2010, p4

¹⁵⁰ *ibid.*, para 4.4

¹⁵¹ *ibid.*, para 4.5

¹⁵² DfT, [Reforming Rail Franchising: Government response to consultation and policy statement](#), January 2011

(i) the specifics of each franchise will be decided on a case by case basis, with bidders having a greater role in helping Government define the specification;

(ii) we will set demanding outcomes for operators to deliver but we will give them more flexibility to decide how best to achieve those outcomes, giving greater space to operators to plan and run their services in a more commercial manner;

(iii) longer franchises should expand the opportunity for operators to invest in improvements as well as enabling them to strengthen their working relationships with Network Rail and other key stakeholders.

We also believe that it is vital that the cost of running the railways comes down.¹⁵³

The first full length franchise to be let under these new principles will be the current Virgin West Coast franchise, to be renamed **InterCity West Coast (ICWC)**.¹⁵⁴ The schedule for re-letting other franchises over the next few years is as follows:

- **Greater/East Anglia:** a short contract, openly competed during 2011, to run and improve services in the Greater Anglia franchise followed by a new long-term franchise for the operation of services in East Anglia to commence in 2013;
- **East Coast:** proposed award of a 15 year franchise in late 2012;
- **Trans-Pennine Express:** potentially extended by up to five years beyond 2012 under the current contract or retendering for at least 15 years, possibly in 2013 alongside the **Northern franchise**;
- **Essex Thameside:** to be retendered by 2013 for at least 15 years;
- **Greater Western:** to be retendered in either 2013 or 2016 for at least 15 years; and
- **Thameslink and South Eastern:** to be retendered on a short-term interim basis as they fall due (as both will be heavily affected by Thameslink work at London Bridge station).¹⁵⁵

There has also been some debate about whether mutual or cooperative enterprises could run rail franchises; this would be in line with the government's 'Big Society' thinking. Rail franchises are big, expensive undertakings – one is not merely bidding to run one or two lines and a small number of services, but multiple lines with a large number of services and the upkeep of every station on those lines. This is very expensive. All current franchisees are big, established rail companies with years of experience. For a number of reasons this means that when it comes time to bid for franchises a mutual, cooperative or community-run company is less likely to be able to afford the up-front cost of a franchise bid; to have the in-house experience to properly assess and make a bid; to run services; and to be able to make sufficient profit to be able to make premia payments (if required). This is not to say that a co-operative company could not run a franchised service (there is no *legal* barrier), just that it would have to be a lot bigger than those currently in existence, and would have to have a substantial amount of money behind it.

In an October 2010 debate in the House Ms Villiers set out the government's view as follows:

¹⁵³ [HC Deb 19 January 2011, cc42-44](#)

¹⁵⁴ further information at: DfT, InterCity [West Coast Consultation Document](#), January 2011

¹⁵⁵ [HC Deb 7 December 2010, cc16-18WS](#)

I would like to make it clear that the coalition Government support the creation and expansion of mutuals, co-operatives, charities and social enterprise. We fully appreciate and recognise the brilliant work done by the co-operative, mutual and not-for-profit sector in many areas of policy and public life. In fact, we want to see such groups playing a bigger role in delivering public services and in helping us to tackle the key social problems that we face in modern Britain.

I want to be clear: the Government would treat a rail franchise bid from a mutual or a co-operative in exactly the same way as they would treat a bid from a competitor in the commercial sector. If a mutual, co-op or any other not-for-profit organisation can meet the accreditation criteria, it may bid for a franchise. If it offers the best deal for the passenger and the taxpayer, it can win the franchise. I cannot promise to bend the rules for mutuals and co-operatives, but I can promise to treat them fairly and objectively, judging their proposals on the same basis as those of their commercial competitors.¹⁵⁶

High speed rail

Another of the key rail reforms on which the coalition partners agreed before the election was the construction of a second high speed line in the UK.¹⁵⁷ The Conservatives made HS2 the centrepiece of their transport policy at the 2008 Party Conference;¹⁵⁸ this was confirmed in the Party's 2009 rail policy document and their manifesto for the 2010 election.¹⁵⁹ In June 2008 the Liberal Democrats published a transport policy document in which it committed to building a high speed rail line from Heathrow, via St Pancras, to Birmingham and Manchester.¹⁶⁰ In their 2010 manifesto, the Liberal Democrats said that they would "set up a UK Infrastructure Bank to invest in public transport like high speed rail".¹⁶¹ Consequently, the Coalition Agreement states that the government will:

... establish a high speed rail network as part of our programme of measures to fulfil our joint ambitions for creating a low carbon economy. Our vision is of a truly national high speed rail network for the whole of Britain. Given financial constraints, we will have to achieve this in phases.¹⁶²

The Conservatives had criticised Labour's March 2010 White Paper on HS2, particularly for not going to Heathrow, while the Liberal Democrats sought guarantees that money would not be 'raided' from existing rail projects to pay for HS2 and asked for a long-term commitment to extend the scheme to Scotland.¹⁶³

On 4 October Mr Hammond confirmed the government's preferred route for HS2 north of Birmingham: a 'Y' formation with separate legs from the West Midlands to each of Manchester and Leeds.¹⁶⁴ On 20 December he confirmed the government's intention to proceed with the construction of the Y-shaped network and stated that the line would not run

¹⁵⁶ [HC Deb 20 October 2010, c308WH](#)

¹⁵⁷ full details of the government's plans for HS2 can be found in HC Library standard note SN/BT/316, [Railways: high speed rail \(HS2\)](#)

¹⁵⁸ [Theresa Villiers MP: speech to the Conservative Party Conference](#), 29 September 2008; see also: "We need faster trains, now a third Heathrow runway", *Financial Times*, 30 October 2008; and "Why we are leading the way on high speed rail", *Transport Times* (no. 57), November 2008

¹⁵⁹ op cit., [Conservative rail review: getting the best for passengers](#); and [Invitation to join the Government of Britain: the Conservative manifesto 2010](#), p23

¹⁶⁰ [Fast track Britain: Building a transport system for the 21st century](#) (policy paper 85), June 2008, para 2.1.5; see also: "Liberal Democrat transport spokesman Norman Baker makes the case for investment in new high speed rail", *The House Magazine* (no. 162), 9 September 2008

¹⁶¹ Liberal Democrats, [Liberal Democrat Manifesto 2010](#), April 2010, p79

¹⁶² op cit., [The Coalition: Our Programme for Government](#)

¹⁶³ [HC Deb 11 March 2010, cc450-54](#)

¹⁶⁴ DfT press notice, ["Proposed high speed rail network North of Birmingham confirmed"](#), 4 October 2010

via Heathrow Airport but there would instead be a spur to the airport, to be constructed at the same time as the second phase extensions beyond Birmingham. Passengers will be able to connect to HS1 at St Pancras via a link from Old Oak Common via the North London Line at Chalk Farm. These decisions were primarily taken for cost reasons. On 28 February 2011 the government published a consultation on the detailed route alignment for phase one of the project (London to Birmingham), along with a revised business case; a full appraisal of sustainability; and noise contour maps.¹⁶⁵ The Labour Party has hinted that the high speed project needs to be re-evaluated and the Shadow Transport Secretary, Maria Eagle has said she has “an open mind” about it.¹⁶⁶

Any new high speed route would require primary legislation via a Hybrid Bill. While this is a particularly ‘democratic’ form of legislation in that it allows every person affected by the works to make representations to Parliament, there are many who argue that in attempting to impose it in the first place the government is acting in contravention of its ‘localism’ agenda.¹⁶⁷

3 Longer term challenges

3.1 Funding

As outlined in more detail below, transport spending, by both central and local government, will decrease over the course of the present Parliament. This may mean that fewer transport projects will go ahead; those transport projects which do go ahead will have to be scaled back, their costs reduced; or funding will have to be found for schemes from other sources in the private sector or via more creative mechanisms such as Tax Increment Financing. The government has spoken repeatedly about the need to drive value for money in transport projects – this is particularly true for rail (see section 2.4, above), local transport schemes (see section 2.2, above) and highway schemes. The Secretary of State, Philip Hammond, has said that better procurement, project management, and a determination to focus on costs should enable government to deliver more for less.¹⁶⁸

Reduced budgets will also mean that local authorities in particular will have to make choices about what to spend their money on. The government believes that by consolidating many of the ring-fenced local government grants into one general pot, this will give local authorities the flexibility to target funds where they think they are important, rather than having to fund particular items prescribed by Whitehall. For the reasons given in section 2.2, above, this is likely to be one of the main areas of dispute between central and local government over coming years.

Department for Transport

The 2010 Spending Review announced a reduction in the DfT’s resource budget of 21% in real terms between 2010/11 and 2014/15 and a real reduction to its capital budget of 11%. Overall spending by the Department will reduce by 15%. A breakdown of DfT budgets, in real terms, following the spending review is shown in Table 1.

The national roads budget has been particularly heavily hit. The national roads resource budget will have decreased by 23% in 2014/15 from the 2010/11 baseline, and its capital budget will be 40% lower. The national roads capital budget contributes over 70% of the total DfT capital budget reduction.

¹⁶⁵ all available on the dedicated [HS2 consultation website](#)

¹⁶⁶ “After 100 days of sniping it’s time to rally round Ed, says ally”, *The Independent*, 1 January 2011

¹⁶⁷ see, e.g.: “Localism in transport policy”, *Better Government blog* (Taxpayers’ Alliance), 6 October 2010

¹⁶⁸ [HC Deb 4 February 2011, cc60-62WS](#)

Local Government

The Spending Review announced a real terms decrease in the DCLG Local Government resource budget by 27% in real terms between 2010/11 and 2014/15.

The local government finance settlement for 2011/12 was confirmed on 31 January 2011,¹⁶⁹ with a further adjustment to the figures for 2012/13 being announced on 9 February 2011.¹⁷⁰ Formula grant to all local authorities in England will fall by 9.9% in 2011/12 and 7.3% in 2012/13.

As part of the settlement the ring-fencing on all non-schools ring fenced grants have been removed. This will mean that local authorities have greater freedom to spend grants as they see fit; transport services will have to compete with other priorities for this funding.

As shown in Table 1, DfT real terms revenue funding for local government is set to decrease by 21% between the 2010/11 baseline and 2014/15; capital funding will be 6.4% lower.

Table 1. 2010 Spending Review, Department for Transport capital and resource budgets, real expenditure (2010/11 prices).

	2010/11 (Baseline)	2011/12	2012/13	2013/14	2014/15
Resource (£m)					
National Roads (Highways Agency)	1,124	1,097	975	933	862
Rail	-337	-85	-237	-452	-396
Local government funding ¹	473	371	385	386	382
Local PFI ²	170	191	229	291	291
London transport grants	2,764	2,752	2,689	2,524	2,189
Other programmes	1,091	988	870	1,057	805
VED Collection & Enforcement ³	191	185	182	179	174
Resource Total	5,141	5,200	4,828	4,648	4,039
Capital (£m)					
National Roads (Highways Agency)	1,571	1,221	884	820	948
Rail	3,778	4,032	4,697	4,359	4,126
Local government funding:	1,618	1,525	1,442	1,370	1,515
London Transport grants	n/a	416	338	172	0
Other programmes	719	393	393	273	256
Capital Total	7,686	7,587	7,753	6,994	6,843

Notes:

¹ These payments transfer to CLG budgets and are therefore not included in DfT's total DEL. The baseline includes funding for demographic pressures on Concessionary Fares in later years

² Private Finance Initiative (PFI)

³ Vehicle Excise Duty (VED) Collection & Enforcement

Sources:

Transport Spending Review Press Notice, Department for Transport, 20 October 2010.

Office for budget responsibility. *Budget forecast tables*.

¹⁶⁹ [HC Deb 31 January 2011, c26WS](#)

¹⁷⁰ [HC Deb 7 February, c2WS](#)

3.2 Security

For further information on terrorism and security policy, see: *HC Library research paper RP 11/10, UK Defence and Security Policy: A New Approach?*; and standard note SN/HA/5852, *The Counter-Terrorism Review*.

Since the 9/11 terrorist attacks on the United States and the 7/7 terrorist bombings in London, transport security has been a subject of intense interest and importance. With the Olympic Games being held in London in Summer 2012, there will continue to be a focus on minimising and tackling the transport security threat both internationally, and specifically to the UK. Security requires both national and international action to be effective. Consequently, while we have our own transport security arrangements in the UK, we also work within a wider framework established at international level – in the European Union and more widely in global institutions like the UN and the G8.

In June 2009 the Home Affairs Select Committee published a report on the then Labour Government's counter-terrorism strategy ('CONTEST'). As regarding transport infrastructure, the Committee concluded that the 7/7 attacks "exposed some weaknesses in the procedures and preparations" of Transport for London (TfL), but that these had been "identified and accepted, and are in the process of being addressed". The Committee also observed that while "no mass transit system in a large city can ever be without vulnerabilities", such a system is also "incompatible with airport-style security". Based on the evidence it had received the Committee:

... would, nevertheless, seek to reassure the House and the public that a great deal of work has been done, both overtly and behind the scenes, to protect the millions of passengers who use the Transport for London network every day. However, there is no room for complacency, and this work must remain a high priority.¹⁷¹

Aviation has been subject to a number of attempted attacks since 9/11 and air passengers have since seen a number of new security measures put in place (some of which have since been relaxed), including hand luggage restrictions and the use of body scanners at airports. There has also been a reassessment of air cargo security following attempts to ship explosive materials in packages on cargo planes in October 2010.¹⁷² In a March 2010 report on security and counter-terrorism measures at airports, the Home Affairs Committee welcomed the introduction of body scanners and, particularly, Explosive Trace Detection equipment but concluded that the government "could go further in strengthening the security process". In particular it thought that the present "demarcation between transport security ("Transec") based in the Department for Transport and wider counter-terrorism activity, centred in the Office for Security and Counter-Terrorism, based in the Home Office is unhelpful" and recommended that Transec become the responsibility of the Home Office under the auspices of the OSCT.¹⁷³

Over recent years there has also been much international concern about maritime terrorism, particularly the extent to which it overlaps with increasing incidents of piracy at sea.¹⁷⁴ Although not a problem in UK waters, UK-flagged vessels and UK citizens have been attacked by pirates. The UK is involved in the EU's counter-piracy initiative Operation

¹⁷¹ HA Committee, *Project CONTEST: The Government's Counter-Terrorism Strategy* (ninth report of session 2008-09), HC 212, 7 July 2009, paras 49-50

¹⁷² further information on aviation security issues can be found in HC Library standard note SN/BT/1246, *Aviation: security*

¹⁷³ HA Committee, *Counter-Terrorism Measures in British Airports* (ninth report of session 2009-10), HC 311, 24 March 2010, paras 39-40

¹⁷⁴ further information on piracy can be found in HC Library standard note SN/BT/3794, *Shipping: piracy*; information on seaport security can be found in standard note SN/BT/3106, *Ports: security*

Atalanta, which began operations off the coast of Somalia in 2008 and will be deployed until the end of 2012. It has been successively led by British officers.¹⁷⁵ As to its connections to terrorist activity, a recent Cabinet Office factsheet on terrorism states that threats emanating from Pakistan, Yemen, and Somalia currently pose the greatest risk to the UK and UK interests.¹⁷⁶ With so much piratical activity emanating from Somalia, this might give cause for concern. However, the previous Labour Government made it very clear in its response to the Transport Select Committee's 2006 report on piracy that there is no proven link between piracy and terrorism.¹⁷⁷ This was reiterated in a June 2008 report by the RAND Corporation for the US Air Force. A press notice accompanying the report stated:

Acts of piracy and terrorism at sea are on the rise, but there is little evidence to support concerns from some governments and international organizations that pirates and terrorists are beginning to collude with one another ... The objectives of the two crimes remain different -- piracy is aimed at financial gain while the goal of terrorism is political. Although both events are increasing, piracy is growing much faster and remains far more common than seaborne terrorism ... "The maritime environment will likely remain a favourable theatre for armed violence, crime and terrorism given its expanse, lack of regulation and general importance as a critical conduit for international trade," said Peter Chalk, author of the study ... "While there is no quick fix for eliminating all of this, we can rationally manage the threats within acceptable boundaries."¹⁷⁸

As indicated above, the London Olympics in 2012 will pose a formidable security challenge for the UK. While there is an overall security plan for the Games, there are also specific proposals for dealing with transport security. These are outlined in the second draft of the Olympic Transport Plan, published in December 2009. There is a National Coordinator for Cross-Modal Olympic Transport Security who sits within the 'Protect' element of the Olympic and Paralympic Security Directorate (OSD) strategy. The role is responsible for coordinating road, rail, aviation and maritime security within the overall Olympic Security Programme. The National Coordinator reports to the Transport Security Steering Group (TSSG) which is chaired by the Department for Transport.¹⁷⁹ In its June 2009 report on counter-terrorism, the Home Affairs Committee welcomed the decision to give OSCT overall responsibility for the security of the Games, and were "reassured that the issue is being treated with the appropriate gravity and priority".¹⁸⁰

3.3 Emergencies

There can be any number of reasons why the UK's public transport system and road network fails to function properly. Aside from security-related events, over recent years the most common have been related to extreme weather conditions or other atmospheric events, and industrial action. It is likely that these factors will persist into the future, though a number of suggestions have been made as to how the government can better prepare for such events and what action they could take to mitigate their effects.

¹⁷⁵ for further information visit the [Operation Atalanta](#) website

¹⁷⁶ Cabinet Office, *Fact Sheet 16: Terrorism* [accessed 8 February 2011]

¹⁷⁷ *Government Response to the Committee's Eight Report of 2005-06* (sixteenth special report of session 2005-06), HC 1690, 2 November, p10

¹⁷⁸ RAND press notice, "Increase In Piracy And Terrorism At Sea", 5 June 2008; a [research brief](#) summarising the report is also available

¹⁷⁹ London 2012, *Transport Plan for the London 2012 Olympic and Paralympic Games, Second edition consultation draft*, December 2009, paras 14.11-14.12

¹⁸⁰ op cit., *Project CONTEST: The Government's Counter-Terrorism Strategy*, para 57

Extreme weather and natural hazards

Over the past two years the UK's transport infrastructure has been affected by ice and snow and its resilience to deal with this type of weather has been called into question.

The Labour Government commissioned an independent review of winter resilience. This was undertaken by David Quarmby CBE, who published his interim report in July 2010 and his final report in October 2010.¹⁸¹ Quarmby looked at how all modes of transport had fared during the particularly harsh winters of 2008-09 and 2009-10. His main conclusions and recommendations on roads, rail and aviation were as follows:

Roads:

- The Highways Agency (HA) was thought to have done a good job of keeping England's strategic roads open. Lessons had been learned from experience earlier in the decade, and there were clear procedures, standards and specifications for delivering winter service operations.
- Generally local highway authorities did a good job too, given the problems of salt supply.
- There is a need for better consultation and engagement between highway authorities and transport providers about access to their passenger facilities; and better communication with the public through broadcast and electronic media.
- There should also be a comprehensive, authoritative review of technical standards and guidance relating to both the treatments and spread rates of salt to providing clear advice on new standards by early 2011.¹⁸²

One further area of intense interest is the liability of individuals who clear the public highway, particularly pavements. In his July 2010 report Quarmby recommended that the government develop a code "setting out good practice for members of the public, including business owners, in clearing snow and ice from footways".¹⁸³ The Secretary of State for Transport, Philip Hammond, accepted the recommendation and indicated that the code would be published by the end of October.¹⁸⁴ The government have since cited the 'snow code' as a 'Big Society' initiative, supporting "the overwhelming majority of people [who] want to take social action in a common sense way, whilst showing neighbourliness and generosity of spirit in these circumstances".¹⁸⁵

Rail:¹⁸⁶

- The National Task Force (NTF)¹⁸⁷ proved an effective mechanism for ensuring that the lessons were learnt across the industry following winter 2008-09 and this enabled a much swifter and more certain response in 2009-10.

¹⁸¹ *The Resilience of England's Transport Systems in Winter - An Independent Review: Interim Report*, July 2010; and: *The Resilience of England's Transport Systems in Winter - An Independent Review: Final Report*, October 2010

¹⁸² op cit., *The Resilience of England's Transport Systems in Winter - An Independent Review: Final Report*, paras 11-22 & 32-34

¹⁸³ op cit., *The Resilience of England's Transport Systems in Winter - An Independent Review: Interim Report*, p17

¹⁸⁴ HC Deb 26 July 2010, c73WS; the Code is available to view on the [Direct.Gov website](#)

¹⁸⁵ HC Deb 3 February 2011, cc876-77W

¹⁸⁶ the breakdown of five Eurostar trains in the Channel Tunnel in December 2009 and the consequent problems was investigated separately and a report was published in February 2010, for further information visit the [Eurostar Independent Review](#) on the Railways Archive website

- London Underground ran its entire sub-surface railway throughout winter 2009-10 apart from some initial problems in the first hour of opening.
- For the main railway network, more trains were cancelled last winter than previously, but, as in the 2008-09 winter, recovery from the first few days of winter was swift, and over this period an average 89 per cent of the 'standard service' was run with 72 per cent punctuality. By winter 2009-10 there was more use of contingency timetables, improved customer information systems and better winterisation of equipment.
- Network Rail generally managed to keep the track available to train operators and those TOCs that made early decisions to thin out their services in a planned way, rather than 'soldiering on' with a steadily deteriorating operation of the standard timetable, tended to provide a more resilient service.
- It is important that effective mechanisms exist between NR and the train operators to facilitate swift decision-making about implementing pre-planned timetables when severe winter weather arrives.
- There is an 'accountability gap' surrounding the implementation of contingency timetables and there is potential public and consumer interest in enabling these decisions to be reviewed after the event in a transparent way.
- A modest service reduction with near-normal operating hours should be achievable in future winters with more resilient equipment allowing nearly all London 'Metro' services to run and around 80 per cent of longer distance Kent services.
- There are efforts to deal with the conductor rail problem through an NR/TOC special project led by the NTF.
- The NTF has put in place a Passenger Information During Disruption (PIDD) project to provide clear leadership in raising communications to a high and consistent standard across the network, with the ability to communicate quickly to customers both changes in planned service and the state of service on the network in real-time.¹⁸⁸

Aviation:

- Airport operators are required to have a 'Snow Plan' which formalises the procedures and resources necessary to clear an airport of snow and ice. In the UK this requirement means that an airport operator is solely responsible for deciding whether it is safe to operate, and it will normally advise the airlines of what services it can provide in severe weather conditions.
- Last winter, the exceptionally severe weather conditions experienced across the country between mid-December 2009 and February 2010 and the extensive snow meant that most airports had to suspend flight operations – albeit for short periods – to allow snow/ice clearance operations on runways, taxiways and stands. Nevertheless, over the whole winter period the seven major airports saw only 40 closures between them, mostly for much less than five hours.

¹⁸⁷ a standing group comprising Network Rail, all the franchised train company owners/operators, DfT, the Office for Rail Regulation (ORR), and one freight company, which meets four-weekly to address and lead collaborative action on rail industry operational, safety and performance issues

¹⁸⁸ op cit., *The Resilience of England's Transport Systems in Winter - An Independent Review: Final Report*, paras 68-85

- While there were seven occasions last winter when a runway was shut, Heathrow remained operational throughout by using the other runway, and the average length of a runway closure was just over an hour.¹⁸⁹
- Airlines are responsible for clearing their own aircraft of snow and ice, and this is carried out either directly by the airline's staff or their handling agent at the airport.
- There does seem to be some generic evidence that earlier, more decisive cancellations and rescheduling (rather than 'soldiering on') helps to accelerate recovery to normality after a disruption, and is more helpful for passengers.
- Airline performance information is important and valuable to travellers, the market and the public at large. The best approach would be to build on the monthly reports that the CAA make of operations at the 10 major UK airports, and develop a clearer summary and interpretation for the benefit of consumers and the public at large.
- Airport operators and airlines' contractors intend to increase stocks of de-icing and anti-icing products in time for the coming season. This is a market capable of meeting demand for these products, and sufficient stocks need to be held at the point of use. There is no case for government intervention in this market.¹⁹⁰

One other critical risk factor for aviation is the possibility of another atmospheric event such as the eruption of the Eyjafjallajökull volcano in Iceland in Spring 2010 which caused a cloud of ash in the atmosphere. Flights were grounded due to fears that the ash could affect aircraft engines and for the first time, all UK airspace was closed. The decision to close UK airspace was made in accordance with internationally agreed procedures, set down by ICAO. Such a blanket approach proved controversial and the relevant scientific data was reassessed leading to a change in the guidance, permitting aircraft to fly through certain concentrations of ash. There followed a wider review in the UK and across Europe which resulted in changes to airspace zones.¹⁹¹ If a similar event happens again, it is hoped that these changes will allow airlines to adopt a more flexible approach.

Industrial action

There have been a number of calls for more restrictive regulation of industrial action in the light of fears about union responses to public spending reductions, as well as in response to specific strike action. For example, in October 2010 the Mayor of London, Boris Johnson, criticised the strike on the London Underground called by the RMT union and called for "a law insisting on a minimum 50 per cent participation in a strike ballot".¹⁹² If strike action increases over the course of this Parliament, these calls are likely to increase.¹⁹³

¹⁸⁹ though because Heathrow operates at near to capacity this relatively 'minor' disruption caused substantial knock on effects for passengers in terms of cancellations and delays

¹⁹⁰ *ibid.*, paras 86-105

¹⁹¹ [HC Deb 10 June 2010, cc47-50WH](#); and EC, [Report on the actions undertaken in the context of the impact of the volcanic ash cloud crisis on the air transport industry](#), June 2010

¹⁹² "There should be a law against these Tube strike militants wrecking your lives", *The Daily Telegraph*, 5 October 2010

¹⁹³ various proposals for reforming strike laws have been put forward by the right-leaning think tank Policy Exchange, see: Policy Exchange, [Modernising Industrial Relations](#), September 2010; the CBI, see: CBI press notice, "CBI unveils package of measures to avoid strikes", 4 October 2010; the CIPD, see: CIPD, [Building productive public sector workplaces Part 3: Developing positive employee relations](#), August 2010; and the economist Dr Tim Leunig, see: "How the Tories can curb public sector strikes", *Financial Times*, 28 October 2009; for the contrary view, see, e.g.: TUC press notice, "TUC dismisses CBI calls for changes in strike laws", 4 October 2010; and: "Tories cannot curb public sector strikes. Fact", *Left Foot Forward* blog, 16 November 2009

The government has previously indicated that there are no current plans to alter existing law on industrial action.¹⁹⁴ In an interview on the BBC's Andrew Marr Show on 9 January 2011 the Prime Minister, David Cameron, reiterated this position:

ANDREW MARR:

Speaking of kick, a lot of trade unionists are talking about waves of strikes and so on hitting all sorts of public services in the spring. Is that something that you regard as probably inevitable given what's going on in the economy?

[...]

DAVID CAMERON:

[...] striking is not going to achieve anything and the trade unions need to know you know they're not going to be able to push anyone around by holding this strike or that strike or even a whole lot of strikes together. They can forget it. This government is a very strong government, it's got a strong majority. I believe the public is right behind the approach that we are taking and people need to know that we will not change course because one union or another union wants to kick off. We won't do that. We'll talk to them. We have a very reasonable ... we're very reasonable people. All of the previous governments' mechanisms for talking to the unions about issues in the public sector, they're all there - ready to talk, ready to ... - but if they think they can push us around on strikes, think again.

ANDREW MARR:

And do you have all the legislative tools and weapons you need in those circumstances, or do you need to go back to parliament?

DAVID CAMERON:

I think that the rules that were set down largely in the 1980s are pretty good and robust. There are one or two areas where people have said to me you need to change this or change that. That's not a proposal we're making at the moment. We think the rules are there.¹⁹⁵

3.4 The role of the EU

There is an ongoing debate about the impact of decisions taken by international bodies on UK policy and actions. In transport, there are a number of international organisations that have some (often a lot) of impact on the development of domestic policy and behaviour. Particularly in the areas of aviation and shipping, the UK is bound by a number of international agreements, treaties and laws – both on a worldwide basis, via United Nations institutions, and more regionally due to our membership of the European Union.¹⁹⁶ Increasing global interdependency may mean that this trend increases over coming years – particularly in areas such as security and energy policy where one could argue that there are greater benefits to acting internationally than for individual states to pursue their own policies that may end up in contradiction to one another.

Like other policy areas, transport is affected by decisions and laws made at EU-level. Many of our transport laws derive from EU legislation, it is one of those policy areas where there is

¹⁹⁴ see, e.g.: "[Government shuns call to change strike laws](#)", *BBC News Online*, 21 June 2010

¹⁹⁵ [David Cameron on The Andrew Marr Show](#), 9 January 2011 [except where indicated by brackets, all breaks in the text indicated by '...' are from original transcript]

¹⁹⁶ information on EU policy and aviation can be found in HC Library standard note SN/BT/182, [Aviation: European liberalisation, 1986-2002](#); and on shipping in SN/BT/55, [Shipping: EU policy](#)

increasing EU action in a growing number of fields. In its 2001 transport White Paper, the European Commission (EC)¹⁹⁷ stated that overall the transport market had been successfully opened up or ‘liberalised’ across all modes, but that ‘distortions of competition’ still remained because of a “lack of fiscal and social harmonisation”.¹⁹⁸ Essentially, the broad goal of the various European institutions has been to create a single, open market for transport across the whole of the Union. In the early years this was done by various liberalisation and competition measures which had particular benefits for the aviation industry. Ground transportation has proven more difficult, in part because full liberalisation requires interoperability across Member States.

One of the EU’s key transport projects has been the Trans-European Transport Networks (TEN-T). TEN-T was designed to be a kind of vanguard for interoperable land transport routes across the EU. The original aim was to establish a series of European transport networks that were “interconnected” and “interoperable.” Bottlenecks were to be removed and missing links filled in. Although TENs were outlined in the Treaty of Rome, the original TEN-T did not include any financial or other obligation for Member States to upgrade or complete existing infrastructure; this was included in the 1992 Maastricht Treaty. Since then, the cost of TEN-T has risen dramatically as Member States have bid for cash to help develop and improve particular schemes. The EC is currently consulting on the future of the TEN-T network and its funding streams; the UK government is pressing for a streamlined funding programme and a focus on delivering sustainable, national priorities, while continuing to link up the key ‘international nodes’.¹⁹⁹

In the rail market the principle of open markets has become somewhat bowed under the weight of regulation, designed to standardise the rail network across the EU.²⁰⁰ There are certainly sensible reasons for this – one interoperable network would enable rolling stock to move from Bucharest to Dublin or Stockholm to Rome and would allow rail companies to compete for services across the whole continent. However, others argue that the rail markets in a number of EU countries remain, in effect, closed because of the state monopolies on ownership (the UK is the only fully liberalised/privatised rail system in Europe) and the detailed technical requirements set down by the EU are prohibitively expensive, disproportionately intrusive and of little direct benefit to the UK.²⁰¹

The picture is more mixed as regards road transport. The area of most EU-involvement is in technical specifications – almost all vehicle construction and use standards are harmonised across the EU and these are constantly being modified and updated as technologies change. UK driver licensing laws and requirements also derive from EU rules as do things like drivers’ hours and working time rules in the road haulage sector.²⁰² There have been some moves towards opening up the road haulage sector in the same way as aviation, shipping and (to an extent) rail but this has been much more difficult to achieve and limits and restrictions remain in place.²⁰³ This is another area where there are differences of opinion as to the benefits of a ‘free market’. While it would permit UK hauliers to expand their businesses onto the

¹⁹⁷ the difference between the EU, the EC and other terms is explained in HC Library standard note SN/IA/3689, [The European Union: a guide to terminology, procedures and sources](#)

¹⁹⁸ EC, [European transport policy for 2010: time to decide](#), September 2001 pp6-7 [COM(2001) 370 final]

¹⁹⁹ information on TEN-T policy can be found in HC Library standard note SN/BT/478, [Trans-European Transport Networks \(TEN-T\)](#); the government’s view is set out in detail in the appendix to its written evidence to the Transport Committee, see: Transport Committee, [Written evidence from the Department for Transport](#), January 2011, [EU20]

²⁰⁰ information on EU policy and rail can be found in HC Library standard note SN/BT/184, [Railways: EU policy](#)

²⁰¹ this was argued strongly in a 2009 paper by the Eurosceptic Bruges Group, see: Bruges Group, [On the Wrong Track: The impact of European Union legislation on Britain’s railways](#), August 2009

²⁰² information on drivers’ hours can be found in HC Library standard note SN/BT/340, [Drivers’ hours](#); and on working time in SN/BT/1758, [Working time directive and road transport](#)

²⁰³ the rules are set out in the [Business Link website](#) [accessed 17 February 2011]

continent, others fear that it would ‘decimate’ the UK road haulage industry and lead to an increase in the current problems associated with foreign hauliers on UK roads (i.e. the attendant environmental impacts; inability to enforce the law against those who break it; lack of awareness of UK ‘rules of the roads’ etc.).²⁰⁴

The EU also guides requirements as to HGV charging²⁰⁵ and the interoperability of road charging technology more generally. There are also attempts to bring enforcement into line across Europe in a way that would permit road traffic offences incurred in country A to be enforced in country B. The UK government is currently considering whether it is advisable to sign up to such a plan, given some of its flaws.²⁰⁶

The EU’s transport priorities under the Hungarian Presidency include deployment of Single European Sky (SESAR); a proposal on security scanners; a recast of the First EU Railway Package; securing a deal on a new Eurovignette Directive for charging heavy goods vehicles; a Cross-Border Enforcement Directive in the field of road safety; and further technical harmonisation, particularly as regards agricultural vehicles and motorcycles.²⁰⁷

²⁰⁴ this argument set out in, e.g.: “[Unrestricted cabotage would decimate UK haulage](#)”, *Road Transport*, 8 December 2010

²⁰⁵ information on lorry road user charging can be found in HC Library standard note SN/BT/588, [Roads: lorry road user charging](#)

²⁰⁶ debated in European Committee, see: [EC\(A\) Deb 25 January 2011, cc3-28](#)

²⁰⁷ all summarised in more detail in: op cit., [Written evidence from the Department for Transport](#)

4 Statistical Appendix

Table A1. Passenger transport by mode, billion passenger miles, Great Britain, 1997-2009

Year	Road				All Road	Rail ¹	Air (UK) ²	All modes ³
	Buses & Coaches	Cars, vans & taxis	Motor cycles	Pedal cycles				
1997	27.3	392.9	2.7	2.5	425.5	26.2	4.2	455.9
1998	27.9	395.0	2.8	2.5	428.1	27.4	4.4	459.9
1999	28.7	399.0	3.0	2.5	433.2	29.1	4.5	466.8
2000	28.9	397.5	3.1	2.6	432.1	29.1	4.7	465.9
2001	28.9	406.3	3.2	2.6	441.1	29.7	4.8	475.6
2002	29.1	420.5	3.4	2.7	455.8	30.1	5.3	491.1
2003	29.2	418.5	3.8	2.8	454.3	30.8	5.7	490.9
2004 ⁴	22.8	422.2	3.5	2.6	451.1	31.6	6.1	488.7
2005	22.2	419.3	3.6	2.8	447.9	32.5	6.1	486.5
2006	.. ⁵	423.5	3.5	2.9	..	34.6	6.1	..
2007	23.2	425.4	3.7	2.6	455.0	36.7	5.9	497.6
2008	24.2	421.3	3.4	2.9	451.9	37.9	5.6	495.4
2009 ^p	22.7	422.6	3.5	3.1	451.9	38.0	5.2	495.2
% change								
1997 -								
2009	..	7.6%	31.4%	21.4%	6.2%	45.0%	24.1%	8.6%

Notes:

¹ Financial years. National Rail, urban metros and modern trams.

² UK airlines, domestic passengers uplifted on scheduled and non-scheduled flights.

³ Excluding travel by water.

⁴ In 2004/05 there was a change in the estimation methodology for calculating local bus usage (outside London) therefore there is a break in this series.

⁵ This figure is unavailable due to concerns over the quality of the non-local bus element of the series.

^p Figures are provisional

.. Not calculated due to change in methodology between 1997 and 2009.

Source:

DfT. *Transport Statistics Great Britain 2010*. Table TSGB0101.

Table A2. Passenger journeys on public transport vehicles, Great Britain, 1997/98-2009/10

Millions							
Year	Rail and Underground systems			Light Rail and Tram Systems		Buses	Air (UK) ¹
	National rail network	London Underground	Glasgow Subway	First Generation Trams ²	Light rail and modern Trams ³	Local bus service ⁴	Passengers on domestic flights
1997/98	846	832	14.1	4.7	79.0	4,430	16.2
1998/99	892	866	14.6	4.4	84.9	4,350	16.9
1999/00	931	927	14.7	4.3	93.9	4,376	17.4
2000/01	957	970	14.4	4.1	119.5	4,420	18.2
2001/02	960	953	13.8	4.9	127.3	4,455	18.5
2002/03	976	942	13.4	4.5	136.2	4,550	20.2
2003/04	1,012	948	13.3	3.7	142.8	4,681	21.0
2004/05	1,045	976	13.3	3.9	154.8	4,587	22.7
2005/06	1,082	970	13.2	3.6	159.8	4,664	23.3
2006/07	1,151	1,040	13.2	3.4	175.2	4,890	23.0
2007/08	1,225	1,096	14.4	2.9	183.3	5,137	22.3
2008/09	1,274	1,089	14.1	2.3	186.3	5,244	21.0
2009/10	1,258	1,059	13.1	2.2	184.0	5,188	19.7
<i>% change</i>							
<i>1997/98 -</i>							
<i>2009/10</i>	<i>48.7%</i>	<i>27.3%</i>	<i>-7.5%</i>	<i>-53.2%</i>	<i>132.9%</i>	<i>17.1%</i>	<i>21.7%</i>

Notes:

¹ UK airlines, domestic passengers uplifted on scheduled and non-scheduled flights. Figures are for calendar years.

² Only Blackpool Tramway still operates from this category.

³ Light rail and modern trams shown here are Glasgow Subway, Nexus (opened 1980), Docklands Light Railway (1987), Manchester Metrolink (1992), Stagecoach Supertram (1994), West Midlands Metro (1999), Croydon Tramlink (2000) and Nottingham NET (2004).

⁴ There was a change made in the methodology used to estimate the number of journeys made on local buses in 2004/05. This means that figures prior to 2004/05 are not directly comparable with figures prior to this period.

Source:

DfT. *Transport Statistics Great Britain 2010*. Table TSGB10.

Table A3. Road traffic by type of vehicle, Great Britain, 1997-2009

Billion vehicle miles/percentages

Year	Cars and taxis	Motorcycles etc.	Larger buses & coaches	Light vans ¹	Heavy goods vehicles ²	All motor vehicles	Pedal cycles
1997	227.3	2.5	3.2	30.2	16.7	279.8	2.5
1998	230.3	2.5	3.2	31.6	17.2	284.9	2.5
1999	234.5	2.8	3.3	32.1	17.5	290.2	2.5
2000	234.1	2.9	3.2	32.5	17.5	290.2	2.6
2001	237.9	3.0	3.2	33.4	17.5	294.8	2.6
2002	244.1	3.2	3.2	34.2	17.6	302.3	2.7
2003	244.3	3.5	3.4	36.0	17.7	304.7	2.8
2004	247.4	3.2	3.2	37.8	18.3	309.8	2.6
2005	246.8	3.4	3.2	38.9	18.0	310.3	2.7
2006	250.2	3.2	3.4	40.5	18.1	315.3	2.9
2007	251.1	3.5	3.4	42.5	18.3	318.8	2.6
2008	249.6	3.2	3.2	42.3	17.8	316.2	2.9
2009	249.0	3.2	3.2	41.4	16.4	313.2	3.1
<i>% change</i>							
<i>1997 -</i>							
<i>2009</i>	<i>9.5%</i>	<i>30.0%</i>	<i>0.0%</i>	<i>37.0%</i>	<i>-1.9%</i>	<i>11.9%</i>	<i>22.0%</i>

Notes: 21.7

¹ Not exceeding 3,500 kgs gross vehicle weight² Over 3,500 kgs gross vehicle weight

Source:

DfT. *Transport Statistics Great Britain 2010*. Table TRA9908.

Table A4. Retail Prices Index: transport components: 1997-2010

Index 1997=100

Year	Motor vehicles						Rail fares	Bus & Coach fares
	All items RPI	Purchase of vehicle	Maintenance	Petrol & oil	Tax & Insurance	All motor ¹		
1997	100	100	100	100	100	100	100	100
1998	103.4	98.9	104.1	105.0	108.8	103.1	104.1	103.3
1999	105.0	94.7	108.2	113.8	117.6	105.6	107.9	107.0
2000	108.1	89.6	112.7	128.8	130.2	109.7	109.8	111.3
2001	110.0	88.3	118.2	122.2	137.0	109.1	114.0	116.0
2002	111.9	86.6	124.3	118.3	139.1	108.2	116.6	119.6
2003	115.1	84.1	131.7	122.6	145.1	109.6	118.6	124.6
2004	118.5	81.5	139.7	129.4	145.8	110.7	123.1	131.0
2005	121.9	77.3	148.2	140.8	143.9	111.4	128.1	139.6
2006	125.8	75.2	157.2	148.5	145.7	113.1	133.2	141.6
2007	131.2	73.2	165.3	152.6	152.4	114.5	140.0	149.7
2008	136.4	68.2	175.1	175.5	157.2	118.0	146.1	158.9
2009	135.7	67.7	182.2	161.6	172.5	117.2	153.9	168.5
2010	142.0	71.7	190.8	188.8	219.8	132.5	166.2	176.1

Notes: ¹ The RPI all motor index includes purchase of a vehicle, maintenance, petrol and oil and tax and insurance.

Source: Office of National Statistics. RPI indices 1987 to 2010.

Table A5. Household expenditure on transport, real 2008/09 prices,¹ United Kingdom: 1997/98 – 2008

Transport (COICOP ² categories) ³											£ Per week/percentage		
	1997/98	1998/99	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06	2006	2006	2007	2008
All motoring and bicycle costs	53.5	57.9	59.3	58.6	59.9	59.6	59.3	57.2	56.6	55.1	53.8	53.0	52.9
<i>of which:</i>													
Purchase of vehicles	26.4	30.6	28.9	28.8	31.3	31.3	32.1	27.9	26.1	24.7	24.2	23.4	21.1
Spares, accessories, repairs and servicing	8.2	8.2	8.0	7.9	8.5	8.6	7.9	8.7	8.7	8.5	8.2	8.3	8.6
Petrol, diesel and other motor oils	16.5	16.7	18.1	19.6	18.0	17.4	17.1	18.0	19.1	19.2	18.9	18.8	21.0
Other motoring costs	2.4	2.4	2.4	2.2	2.2	2.2	2.2	2.7	2.5	2.5	2.4	2.5	2.1
All transport services	9.3	9.7	10.2	10.7	10.2	10.0	10.1	9.0	10.8	10.6	10.5	10.4	10.5
<i>of which:</i>													
Rail and tube fares	1.8	2.4	2.3	2.5	2.3	2.1	2.2	2.2	2.3	2.3	2.2	2.6	2.4
Bus and coach fares	1.7	1.7	1.8	1.7	1.8	1.6	1.6	1.7	1.6	1.4	1.4	1.2	1.4
Combined tickets	0.8	0.9	1.1	1.1	1.2	0.9	0.8	0.9	1.1	1.1	1.1	1.3	1.2
Air and other travel and transport	5.0	4.7	5.0	5.3	5.0	5.3	5.5	4.2	5.9	5.8	5.8	5.2	5.4
All transport ⁴	62.8	67.5	67.6	69.3	70.1	69.6	69.4	66.3	67.4	65.5	64.3	63.4	63.4
<i>Percentage of household expenditure on transport</i>	14.6	15	15	14.5	14.5	14.6	14.5	13.7	13.9	13.6	13.5	13.5	13.5

Notes:

¹ Where calendar years are shown GDP deflator figures for financial years have been used to adjust. Therefore prices in 2006 have been adjusted using deflator figures for 2006/07.

² Classification of Individual Consumption According to Purpose

³ Data for 2000/01 are based on old Family Expenditure Survey categories which include some items excluded under COICOP, eg motor caravans audio equipment, helmets (See Notes and Definitions). Additional changes were made in 2006, see the Survey for details.

⁴ Excluding motor vehicle insurance and taxation and boat purchase and repairs

Sources:

DfT. *Transport Statistics Great Britain 2010*. Table TSGB0113.

HM Treasury. GDP Deflators

Table A6. Public expenditure on transport, United Kingdom, 1997/98 – 2009/10

	Nominal terms (£billions)	Real terms 2008/09 prices (£billions)	Nominal terms annual % change	Real terms annual % change
Cash				
1997/98	8.7	11.3	-8.4%	-10.3%
Accruals				
1998/99	7.8	10.0	-10.3%	-11.5%
1999/00	7.9	9.8	1.3%	-2.0%
2000/01	9.0	11.1	13.9%	13.3%
2001/02	11.3	13.7	25.6%	23.4%
2002/03	14.8	17.3	31.0%	26.3%
2003/04	16.3	18.5	10.1%	6.9%
2004/05	16.0	17.7	-1.8%	-4.3%
2005/06	17.0	18.5	6.3%	4.5%
2006/07	19.9	21.0	17.1%	13.5%
2007/08	20.5	21.0	3.0%	0.0%
2008/09	20.8	20.8	1.5%	-1.0%
2009/10(e)	23.1	22.7	11.1%	9.1%

Notes:

(e) Estimated figure

Prior to 1998/99 public expenditure was reported on a cash basis. From 1998/99 onwards public expenditure has been reported on an accruals basis.

Source: HM Treasury *Public Sector Analyses 2010* Table 4.2 and Table 4.3.

Public sector expenditure on services by function, 1987/88 to 2009/10.

Table A7. Public and private investment in transport infrastructure and rolling stock, Great Britain: 1997/98 – 2008/09

	1997/98	1998/99	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09
Nominal Prices (£m)												
Road infrastructure												
Public ¹	3,267	2,957	3,071	3,344	3,643	3,928	3,595	4,056	4,286	4,735	4,767	5,290
Private	251	278	63	47	45	..	..	..	..	..	..	..
Total	3,518	3,235	3,134	3,391	3,688	3,928	3,595	4,056	4,286	4,735	4,767	5,290
Rail infrastructure ²												
National Rail	1,430	1,823	2,012	2,404	3,148	3,756	4,722	3,543	3,237	3,766	4,134	4,803
Other rail	898	821	1,163	387	506	488	463	736	1,224	1,278	1,435	1,665
Total	2,328	2,644	3,175	2,791	3,654	4,244	5,185	4,279	4,461	5,044	5,569	6,468
Rail rolling stock ²												
National Rail	114	176	236	554	922	566	774	897	557	326	401	346
Other rail	82	85	84	75	75	75	179	167	171	125	135	283
Total	196	261	321	630	997	641	952	1,064	728	451	536	629
Ports infrastructure ²												
Airports	200	240	250	205	233	236	310	202	230	..	..	..
Public ^{2,3}	216	140	161	163	57	71	70	62	116	..	..	..
Private ²	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	..	..	..
Real Prices (2008/09 £m)												
Road infrastructure												
Public ¹	4,275	3,790	3,860	4,149	4,420	4,618	4,111	4,512	4,683	5,006	4,899	5,290
Private	328	356	80	58	55	..	..	..	..	..	..	..
Total	4,604	4,145	3,939	4,207	4,475	4,618	4,111	4,512	4,683	5,006	4,899	5,290
Rail infrastructure ²												
National Rail	1,871	2,336	2,529	2,982	3,820	4,415	5,398	3,941	3,536	3,981	4,249	4,803
Other rail	1,175	1,053	1,462	481	614	573	530	819	1,337	1,351	1,475	1,665
Total	3,046	3,389	3,991	3,463	4,434	4,989	5,928	4,760	4,873	5,332	5,723	6,468
Rail rolling stock ²												
National Rail	149	226	297	688	1,119	666	885	998	609	344	412	346
Other rail	107	109	106	94	91	88	204	186	187	132	139	283
Total	256	334	403	781	1,210	754	1,089	1,183	795	477	551	629
Ports infrastructure ²												
Airports	262	308	314	255	282	277	354	225	252	..	..	..
Public ^{2,3}	283	179	203	202	70	83	80	69	127	..	..	..
Private ²	739	695	643	702	764	921	1,570	1,595	1,816	..	..	..
Total	1,022	874	845	904	834	1,004	1,650	1,664	1,943	..	..	..

Notes:

¹ 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.

² Partly based on figures for calendar years.

³ Prior to 2001/02 public airports investment includes air traffic control.

The figures in this table are outside the scope of National Statistics, see Notes and Definitions.

Source:

DfT. *Transport Statistics Great Britain 2010*. Table TSGB0114.

Table A8. Domestic freight transport: goods moved by mode of transport, Great Britain, 1997 - 2009

	1997	1998 ⁴	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008 ⁵	2009 ⁶
Billion tonne kilometres													
Road ¹	157.4	160.3	157.7	159.4	158.5	159.4	161.7	162.5	163.4	166.7	173.1	163.5	143.5
Rail ²	16.9	17.3	18.2	18.1	19.4	18.5	18.9	20.3	21.7	21.9	21.2	20.6	19.1
Water ³	48.1	56.9	58.7	67.4	58.8	67.2	60.9	59.4	60.9	51.8	50.8	49.7	48.6
Pipeline	11.2	11.7	11.6	11.4	11.5	10.9	10.5	10.7	10.8	10.8	10.2	10.2	10.2
All modes	233.6	246.2	246.2	256.3	248.2	256.0	252.0	253.0	256.9	251.3	255.3	244.0	221.3
<i>Percentage of all freight traffic</i>													-9.3%
Road ¹	67%	65%	64%	62%	64%	62%	64%	64%	64%	66%	68%	67%	65%
Rail ²	7%	7%	7%	7%	8%	7%	7%	8%	8%	9%	8%	8%	9%
Water ³	21%	23%	24%	26%	24%	26%	24%	23%	24%	21%	20%	20%	22%
Pipeline	5%	5%	5%	4%	5%	4%	4%	4%	4%	4%	4%	4%	5%

Notes:

¹ All goods vehicles, including those up to 3.5 tonnes gross vehicle weight.

² Figures for rail are for financial years (e.g. 1999 will be 1999/00).

³ Figures for water are for UK traffic.

⁴ There is a break in the rail series after 1998/99 due to a change in the source data from 1999/00.

⁵ Some pipeline data based on estimates – this survey is currently under review by the Department of Energy and Climate Change to improve data quality.

⁶ Pipeline figures are not currently available for 2009. Figures for 2008 have been used to generate totals for all modes.

Source:

DfT. *Transport Statistics Great Britain 2010*. Table TSGB0499