

May 2004



Summary

Paying for better transport

Costing the 'Way to Go' manifesto

The Way to Go campaign was launched in February by a coalition of over 25 environment, transport and social justice organisations. These groups want to see a transport system that is better for people, for local neighbourhoods and for the environment. It has published a manifesto of tried-and-tested measures that it wants the Government to prioritise when it publishes its revised 10 year plan for transport this summer. This will set out the Government's policy priorities and spending plans for transport until 2016.

These tried-and tested measures include including improved public transport, bus lane networks, rail freight projects and safe routes to schools. This briefing summarises:

- the cost of delivering these measures nationwide, based on current best practice both from Britain and the rest of Europe
- the benefits this would deliver;
- possible sources of funding; and
- which groups in society would benefit the most from implementing these policies.

A full briefing giving detailed costings is also available.

Costs

This briefing sets out estimated costs of eleven elements of the Way to Go manifesto for transport. These are:

- A cycle friendly road network and cycle training for all
- Networks of bus lanes
- Safe routes to schools
- Lower speed limits: 20mph default in residential streets
- Increased funding for public transport, particularly in rural areas.
- Streets, lanes and paths in good condition and pleasant for walking
- Quality standards for bus and rail services
- National railcard
- Purchase incentives for smaller, cleaner vehicles
- Funding for rail freight projects
- Services and facilities close to people so that they don't need to drive.

Further information on these issues can be found on the Way to Go campaign's website at <http://waytogo.org.uk>

Implementing these measures in urban areas (population over 20,000) in England would cost just over £10 billion in total between now and 2010: capital funding of roughly £4.6 billion, or £770 million per year and revenue funding of just under £1 billion per year.

Table 1 - Summary of capital and revenue funding estimates for the manifesto elements¹

	Capital funding (for six year period to 2010)	Revenue funding (per year)
Cycle friendly road network and cycle training for all	£990 million	£22 – 32 million
Networks of bus lanes and promotion and marketing of bus services	£990 million	£10 – 17 million
Safe routes to schools	£750 – 850 million	£26 million
Lower speed limits: 20mph default in residential streets	£398 – 518 million	-
Increased funding for public transport, particularly in rural areas	-	£336 million

Streets, lanes and paths in good condition and pleasant for walking	£1069 million	£119 million
Quality standards for bus and rail services	£21 million	£300 million
National railcard	-	-
Purchase incentives for smaller, cleaner vehicles	-	£120 million
Grants for rail freight projects	£290 million	£18 million
Services and facilities close to people so that they don't need to drive.	£90 million	£5 million
TOTAL	£4598 – 4668 million	£956 - 973 million

Funding

There is a strong case for major re-allocation of government funding away from expensive road infrastructure projects, with the extra funding coming from changes in motoring taxation, to enable these measures to be properly supported. We propose that funding should be found from a combination of the following three areas.

- Increases in road fuel duty to keep the costs of motoring constant (which could raise £16 - 30 billion to 2010²).
- Increases in Vehicle Excise Duty for more polluting vehicles (which could raise £6 billion to 2010³)
- Cutting environmentally damaging roads projects (which could save £8 billion)

Pay-as-you-go road user charging could provide an additional source of revenue if and when it is introduced, probably next decade.

Distributional effects

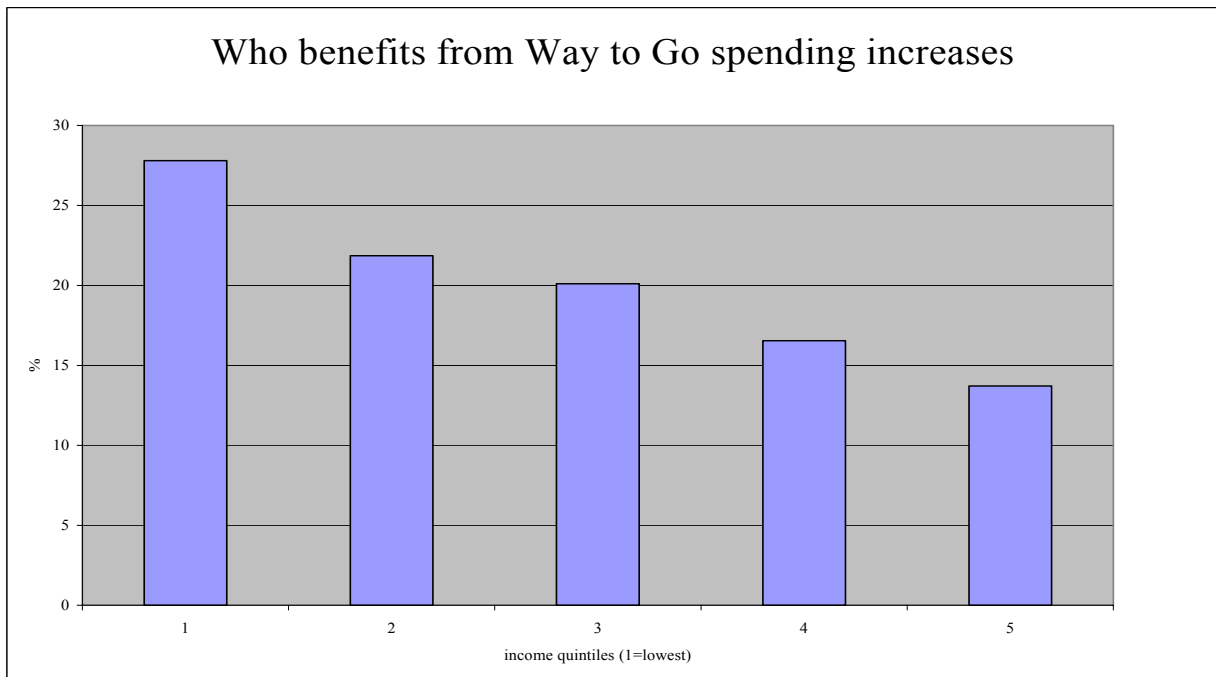
We believe that this package of measures will provide quality alternatives to the car, and help meet the Government's social inclusion and environmental goals.

The 10 year transport plan needs to become more progressive. According to the Government's own figures, current spending mostly benefits the richest quintile (38%), with the lowest quintile benefiting least (12%)⁴. This is compounded by a 30 year rise in costs of public transport (used more by the poorest), while costs of motoring (used more by the richest) have fallen. The current tax and spend regime for transport exacerbates social exclusion.

As Figure 1 below shows, implementing the Way to Go manifesto would benefit poorer households most: 28% of the spending would benefit the lowest income quintile; 14% the richest.

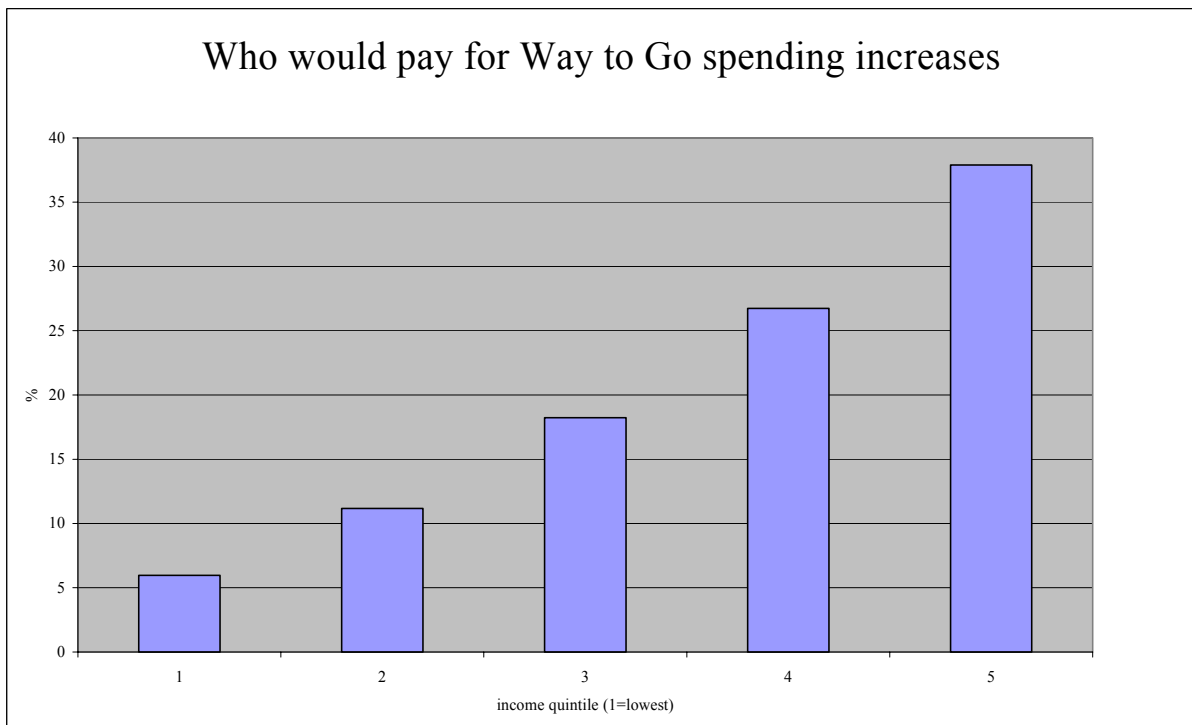
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Figure 1 – Who benefits from Way to Go spending increases



The proposed measures for funding are also progressive: as Figure 2 shows, 7% would come from the poorest households, 37% from the richest.

Figure 2 – Who would pay for Way to Go spending increases



Delivering Government targets

Table 2 shows that the Way to Go manifesto would help the delivery of key targets across Government. In the table: - indicates no / negligible impact and + indicates a positive impact

Table 2 – Impact of Way to Go measures on PSA targets

	Congestion ⁵	Rail ⁶	Bus ⁷	Accidents ⁸	Air Quality ⁹	Crime ¹⁰	Heart Disease ¹¹	Health Inequalities ¹²	Carbon Emissions ¹³
	DfT	DfT	DfT	DfT	DEFRA / DfT	Home Office	DoH	DoH	DEFRA / DTI
Cycle Networks	+	-	-	+	+	-	+	-	+
Bus Lanes	+	-	+	-	-	-	-	-	+
Safe Routes to Schools	+	-	-	+	+	+	+	+	+
20 mph zones	-	-	-	+	-	-	-	+	-
Rural public transport	-	-	+	-	-	-	-	-	+
Walking	+	-	-	+	+	+	+	+	+
Quality standards	-	+	-	-	-	+	-	-	+
Railcard	-	+	-	-	-	-	-	-	+
Cleaner vehicles	-	-	-	-	+	-	-	-	+
Rail freight	+	-	-	+	+	-	-	-	+
Closer services	+	-	-	-	-	+	-	+	+

The measures identified to help pay for implementing the manifesto measures would also help deliver many of these PSA targets.

Notes

¹ The estimated figures – summarised in table 1 – are for England. In most cases, estimates are for urban areas, which are taken as all towns with a population of 20,000 or more. In some cases, substantial sums are already being spent in these areas but because of the way local authority transport spending is reported, it is not straightforward to estimate how much *additional* funding would be required to meet these figures. However, the detailed analysis attempts to do this where possible.

² From research by the IEEP, in Friends of the Earth (2002) ‘Paying for Rail’

³ From increasing the VED bands for more polluting vehicles. See

http://www.foe.co.uk/resource/press_releases/big_motor_low_tax.html

⁴ Social Exclusion Unit (2003), ‘Making the Connections: Final Report on Transport and Social Exclusion’

⁵ PSA target is ‘Reduce congestion on the inter-urban trunk road network and in large urban areas in England below 2000 levels by 2010’

⁶ PSA target is ‘Secure improvements in rail punctuality and reliability with a 50% increase in rail use in Great Britain from 2000 levels by 2010’

⁷ PSA target is ‘Secure improvements to the accessibility, punctuality and reliability of local public transport (bus and light rail), with an increase in use of more than 12% by 2010 compared with 2000 levels’

⁸ PSA target is ‘Reduce the number of people killed or seriously injured in Great Britain in road accidents by 40%, and the number of children killed or seriously injured by 50%, by 2010 compared with the average for 1994-98, tackling the significantly higher incidence in disadvantaged communities’

⁹ PSA target is ‘Improve air quality by meeting our National Air Quality strategy objectives for carbon monoxide, lead, nitrogen dioxide, particles, sulphur dioxide, benzene and 1-3 butadiene’

¹⁰ PSA target is ‘Reduce crime and the fear of crime; improve performance overall, including by reducing the gap between the highest crime Crime and Disorder Reduction Partnership areas and the best comparable areas’

¹¹ PSA target is ‘Reduce substantially the mortality rates from the major killer diseases by 2010: from heart disease by at least 40 % in people under 75; from cancer by at least 20% in people under 75’

¹² PSA target is ‘By 2010 reduce inequalities in health outcomes by 10% as measured by infant mortality and life expectancy at birth’

¹³ PSA target is ‘Improve the environment and the sustainable use of natural resources, including through the use of energy saving technologies, to help reduce greenhouse gas emissions by 12.5% from 1990 levels and moving towards a 20% reduction in carbon dioxide emissions by 2010’