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# Report

## 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 looks at

- 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.

## **1 Summary**

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.

Costs have not been estimated for the final element of the manifesto, pay-as-you-go road-user charging, as this will be introduced beyond the 2010 horizon of this costing exercise. Further information on these issues can be found on the Way to Go campaign's website at <http://waytogo.org.uk>

Not all of the measures are needed in all areas of the country. For example, networks of bus lanes are not needed in rural areas, and are only appropriate in urban areas of a certain size. Therefore some of the detailed cost estimates are based on implementation of the measures in towns and cities with a population of over 20,000 people.

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.

Table 1 shows that implementing the eleven manifesto pledges in England would require capital funding of roughly £4.6 billion between now and 2010, or £770 million per year. This is equivalent to 40% of last year's Local Transport Plan (LTP) funding. The majority of measures would also require revenue funding at just under £1 billion per year. *Transport 2010*, the Government's 10 year plan for transport, published in 2000, announced total spending on transport this decade of £180 billion.

The Government's transport budget is under pressure, due partly to the extra rail spending arising from the Regulator's track access charges review. This will put the spotlight on other elements, principally the national roads (Highways Agency) budget and local transport. We believe that spending on local transport should have priority over trunk roads, because:

- in distributional terms, the spending we advocate would benefit poorer households, while

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trunk road spending will tend to benefit richer households

- in environmental terms, local transport can reduce traffic and car dependence, whereas trunk road schemes will tend to increase car dependence and allow traffic to increase.

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 2010<sup>1</sup>).
- Increases in Vehicle Excise Duty for more polluting vehicles (which could raise £6 billion to 2010<sup>2</sup>)
- 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.

**Table 1 Summary of capital and revenue funding estimates for the manifesto elements<sup>3</sup>**

	<b>Capital funding (for six year period to 2010)</b>	<b>Revenue funding (per year)</b>
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
<b>TOTAL</b>	<b>£4598 – 4668 million</b>	<b>£956 - 973 million</b>

### **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%)<sup>iv</sup>. 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.

Implementing the Way to Go manifesto would benefit poorer households most: 28% of the spending would benefit the lowest income quintile; 14% the richest. The proposed measures for funding are also progressive: 7% would come from the poorest households, 37% from the richest.

**Section 2** sets out the costings for each of the 11 manifesto elements.

**Section 3** summarises the effects of each of these measures on the Government’s Public Service Agreements – the key targets for each Government department.

**Section 4** summarises the distributive effects of these measures.

**Section 5** provides details on proposed funding, including a list of road schemes which could be scrapped.

**Section 6** is a brief note on rail spending.

## **2 Detailed costings**

### **2.1 Cycle friendly road network and cycle training for all**

#### **2.1.1 What is being costed?**

Providing good quality cycle infrastructure in selected urban areas and cycle training for children.

#### **2.1.2 How much would this cost?**

##### **Cycle infrastructure**

The cost of developing cycle infrastructure will vary between urban areas, depending both upon their size and how much cycle infrastructure has already been developed.

Table 2 summarises available data on the cost of providing cycle infrastructure in various German and Austrian cities. Figures are for periods of fairly intense investment, typically covering time periods of about ten years. Total expenditure per head shows a large range, from about £8 to £120, with annual expenditure ranging from 60 pence to £15. The table also shows how much funding for cycle infrastructure would be necessary in London in order to triple levels of cycling by 2010. The figure is about £25 per head over a six year period, or

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about £4 per head per year. This is based on a scenario developed by Transport for London (TfL) but funding constraints mean that it is unlikely to be achieved. Finally, planned expenditure on both cycling and walking in York during the current LTP cycle is roughly £27 per head, or £5 per head per year.

The data suggests that in order to achieve good quality cycle infrastructure, British cities probably need to spend about £5 per head per year at least until 2010, and probably for several years thereafter. Most British cities spend very much less than this. Roughly 33 million people in England live in urban areas with a population of 20,000 or more and if all these areas were to invest at this level between now and 2010, the cost would be £165 million per year, or £990 million between now and 2010.

Alternatively, it would be possible to concentrate on those urban areas which already have some culture of cycling, and seek to deliver substantial improvements in the cycle infrastructure there. For example, spending could be concentrated in those districts with at least 3% (or 5%, or another figure) mode share for the journey to work.

**Table 2 Capital costs of cycle infrastructure**

City	Population	Time period for main investment	Expenditure	Average annual expenditure	Total expenditure per head	Annual expenditure per head	Change in cycling mode share*
Vienna <sup>5</sup>	1.6 million	1986 - 1999	£13 million	£1.0 million	£8	60 pence	1.5 - 4.5%
Munich <sup>6</sup>	1.3 million	1990 - 1999	£17 million	£1.9 million	£13	£1.50	8 - 13%
Freiburg <sup>7</sup>	230,000	1984 - 1990	£8 million	£1.3 million	£35	£6	15 - 19%
Munster <sup>8</sup>	280,000	1981 - 1992	£24 million	£2.2 million	£86	£8	29 - 43%
Troisdorf	75,000	1988 - 1996	£9 million	£1.1 million	£120	£15	16 - 21%
London <sup>9</sup> +	7.7 million	Forecast for 2004 to 2010	£196 million	£33 million	£25	£4	
York <sup>10</sup> #	125,000	Planned spend 2001 - 2006	£3.4 million	£675,000	£27	£5	

\* Mode share figures correspond as closely as possible to start and end of main period of investment, but are not always an exact match

+ Figures for London are based on estimates in TfL's draft business case for cycling, and represent the cost of completing the London Cycle Network and junction treatments, as part of a programme of cycle promotion which it is believed would achieve a tripling of cycling levels by 2010 (scenario C boosted expenditure). Current TfL planned expenditure is less than this figure.

# Figures for York are a combined budget for walking and cycling.

### Cycle training

The English Regional Cycling Development Team (ERCDDT) is currently looking at the cost of providing cycle training for all children who wish to have it. Data supplied by ERCDDT indicates that the cost of pedestrian and cycle training in York is roughly £65,000 per year. This covers:

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- Pedestrian training to primary years 3 and 4 (7-9 year olds) with nearly 2,000 children trained each year
- Half day level one cyclist training to all children in year 5 or 6 (9-11 year olds). Now almost universal uptake (nearly 1,800 children per year)
- Level two cyclist training to all children before the end of year 6 with 1,500 children trained each year (roughly 70%)
- Advanced level three cyclist training for roughly 500 year 7 pupils at secondary school<sup>11</sup>

York’s 5-14 year olds represent roughly one three-hundredth of the English population for this age group, and based on this, ERCDT estimates that the cost of cycle training for all would be roughly £20 – 30 million per year (if the service were provided at no charge).

Once investment in training cycle trainers has been made, it would also be possible to offer at-cost cycle training to adults, for example as part of workplace travel plans. This could pay for itself through fees. Alternatively a pilot programme to encourage adult cycle training via the DfT’s Cycling Projects Fund could be targeted at employers (small and large) who could apply for funding for cycle stands, showers etc and / or cycle training for their staff. A fund of £2 million a year for the first few years of the pilot could then be expanded in subsequent years depending upon demand.

### **Summary**

Good quality cycle infrastructure could be developed in urban areas for a capital programme equivalent to about £5 per head per year over about the next decade. If this covered all urban areas with a population of 20,000 or more, the cost between now and 2010 would be £990 million. Cycle training for all children who wanted it would cost roughly £20 – 30 million per year. Grants to promote adult cycle training could initially be targeted at employers at a cost of a £2 million a year.

### **2.1.3 Who benefits, and how?**

Investment in cycle infrastructure and training helping deliver greater levels of cycling would bring the following benefits:

- A more healthy and active population, lower levels of obesity and diseases associated with it
- Less congestion in urban areas (data from London indicates that roughly half of all car mileage is on short trips of less than 5 miles which could be cycled)
- Reduced emissions of carbon dioxide and toxic pollution.

### **2.1.4 Where might the money come from?**

The main source of funding for cycle infrastructure should be the LTP settlement. In York, spending on cycling and walking represents roughly 8% of the total capital programme proposed in the city’s Local Transport Plan.

One of the difficulties for government is that most local authorities are unwilling to give a high priority to cycling investment. There is a strong argument that local authorities which have not allocated sufficient funds to cycling should be penalised in future LTP settlements, with the money saved being allocated to other local authorities who *are* committed to cycling.

Revenue funding for cycle training might come partly from local authorities, but with some ring-fenced funding via government to support a national cycle training scheme.

## **2.2 Networks of bus lanes**

### **2.2.1 What is being costed?**

This section costs provision of the following:

- a programme of bus lanes and other capital measures to improve bus services as part of quality bus partnerships in all urban areas.
- effective promotion and marketing of bus services.

### **2.2.2 How much would it cost?**

Some local authorities are already spending substantial sums on bus lanes, bus priority at traffic lights, electronic bus time information and other capital measures to improve bus services. In the most successful local authorities, this is coupled with promotion and marketing. Table 3 summarises annual spending on capital schemes in London, Nottingham and Brighton.

**Table 3 Capital spending on bus infrastructure**

	<b>Population</b>	<b>Annual spend on bus infrastructure (2003/04)</b>	<b>Spend per person</b>
London	7.6 million	£43.5 million	£6
Nottingham	270,000	£1.4 million	£5
Brighton	125,000	£490,000	£4

If all English urban areas with a population of 20,000 or more invested at a similar rate of about £5 per head, the total amount invested would be £165 million per year, or £990 million between now and 2010.

Figures for local authority spending on marketing and promotion of bus services are available for Nottingham and Brighton and amount to roughly 30–50 pence per head per year. If all English urban areas with a population of 20,000 or more had a similar revenue budget for public transport publicity and marketing, the total per year would be £10–17 million.

### **2.2.3 Who benefits, and how?**

Investment in quality bus partnerships is helping to deliver significant increases in passenger use. Bus use is currently rising at about 13% per year in London and 5% per year in Brighton. Over the last three years Nottingham has reversed historic declines in bus use, and is now achieving small increases of about 1% per year. More bus use in these areas is helping relieve traffic congestion, benefiting residents and businesses. People on lower incomes, older people and young people would benefit most from better bus services.

### **2.2.4 Where might the money come from?**

Some cities are already spending substantial sums on bus infrastructure. However, others are reluctant to invest in bus lanes, especially where they will take road space away from cars or where local businesses object. The main problem is not lack of funding, but lack of political will.

## **2.3 Safe routes to schools**

### **2.3.1 What is being costed?**

Providing basic infrastructure improvements around every school, plus 'micro-infrastructure' such as cycle shelters and awareness-raising at every school.

### **2.3.2 How much would this cost?**

The cost of these measures can be divided into three parts:

- Capital funding for on-road infrastructure improvements such as traffic calming
- Capital funding for 'micro-infrastructure' on the school site, such as cycle shelters or lockers
- Revenue funding, mainly for local authority staff costs to promote school travel plans.

#### **On-road infrastructure**

From provisional analysis of data currently being collected by Transport 2000 for the Department for Transport as part of the *Making School Travel Plans Work* research project, we know that where local authorities have invested in infrastructure improvements such as pedestrian crossings, pavement widening, cycle lanes and traffic calming, they have typically spent between £30,000 and £75,000 per school, or on average about £100 per pupil place. This is not sufficient to buy a complete 'Danish style' safe routes network, but it is enough to pay for basic essential infrastructure – for example £30,000 might pay for one pedestrian crossing and some footway improvements.

There are roughly 6.5 million school age children in England, suggesting that the cost of basic 'safe routes' infrastructure for every child might be of the order of £650 million.

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In an urban area like Merseyside, with 582 schools, the total cost would be £17 – 44 million. Currently the five local authorities in Merseyside have allocated about £650,000 per year to these measures. To provide basic safe routes infrastructure at every school by 2010, capital funding would need to increase by a factor of between four and 11 times.

### **School site micro-infrastructure**

Funding for 'micro-infrastructure' such as cycle shelters and lockers provides a strong incentive for schools to get involved in travel planning. Where local authority school travel advisers are able to offer this incentive, it is generally about £5000 - £10,000 per school. This is enough to purchase (say) two cycle shelters. There are roughly 18,000 primary schools and 3400 secondary schools in England, so it would cost £100 – 200 million to offer this support to every school.

### **School travel plan co-ordination**

According to interim research for DfT on soft factors<sup>12</sup>, local authority staff costs to promote and develop school travel plans are about £4 per pupil place targeted. This funding is required every year to sustain schools' involvement in walking buses, walk to school days, curriculum work and other travel behaviour initiatives. With 6.5 million school-age children, the annual cost of school travel work if every school were targeted would be £26 million.

### **Summary**

- Basic 'safe routes' infrastructure for every school would require a capital programme totalling £650 million
- 'Micro-infrastructure' such as cycle shelters and lockers for every school would cost £100 – 200 million
- Revenue funding for school travel promotion work with every school would cost roughly £26 million per year.

### **2.3.3 Who benefits, and how?**

Money spent in this way benefits parents of school-age children and children themselves. The main benefits are:

- Children get healthy exercise (if they walk or cycle to school), reducing obesity and encouraging active travel habits.
- Some teachers report that children who walk or cycle to school are better able to settle down to work once they arrive, concentrate better, and have greater road-safety awareness. At schools where truancy or lateness is a problem, walking bus schemes can improve attendance and punctuality.
- Where school travel work involves a whole community it can increase social capital. Some school travel co-ordinators report that walking buses in areas of high unemployment are getting parents more involved in their local community and building skills and confidence.
- Traffic emissions and congestion are reduced in the morning peak.

### **2.3.4 Where might the money come from?**

Even in local authorities with quite generous allocations of LTP capital funding for 'safe routes' infrastructure, the proportion of the total LTP settlement allocated to safe routes is small. For example York spends about 1% of its LTP allocation on safe routes capital measures. The 2004/05 LTP settlement for all local authorities in England was £1.9 billion. Allocating 6% of this to safe routes infrastructure would enable some improvements at every school by 2010.

The government has recently announced a programme of £50 million over the next two years for safe and healthy travel to school. This includes £35 million towards micro-infrastructure at schools, set at £5000 for primary schools and £10,000 for secondary schools. This level of funding will encourage many schools to get involved in travel planning, and will go some way towards the £100 – 200 million that would be needed for all schools. The package also includes £7.5 million per year for local authority school travel co-ordinators. This will provide some of the estimated £26 million annual cost of working with all schools on travel plans. The outstanding amount could partly come from existing local authority revenue budgets. For example, local authorities such as Buckinghamshire and York have already found sufficient revenue resources to work with about two-thirds of their schools.

## **2.4 Lower speed limits – 20mph default in residential streets**

### **2.4.1 What is being costed?**

This section costs the implementation of 20mph zones enforced by physical traffic calming where necessary, or by signs without physical measures elsewhere.

### **2.4.2 How much would it cost?**

When 20mph limits are introduced in residential streets, the actual reduction in vehicle speeds is greater if the new speed limit is combined with traffic calming. This might suggest that physical design changes should be introduced in all residential streets. However, the cost of such an approach would be substantial: TRL calculated that the cost of introducing traffic calming and area-wide safety management in all urban areas would be around £3 billion (based on 1995 figures)<sup>13</sup>.

Sign-only 20mph zones are less effective in terms of speed reduction, but they nevertheless have some effect on speeds and there is evidence suggesting they reduce casualties. Research published by the Scottish Executive looked at before and after traffic speed data from 75 trial sites where the speed limit had been reduced to 20mph without any changes to the design of the road (but in most cases *with* publicity measures). The average reduction in 85<sup>th</sup> percentile speed was quite small, from 29.4 mph to 28.3 mph. However, casualties across 59 sites for which data was available fell by 42%, and deaths and serious injuries fell by 59%<sup>14</sup>.

This suggests that there would be merit in setting the default speed limit in residential streets

at 20mph, even where traffic calming measures cannot be afforded immediately.

There are many streets where traffic calming would bring additional benefits. The calculations below assess the cost of introducing a traffic calming programme comparable to that in Hull in all urban areas with populations of 20,000 or more. Hull already has more than 112 20mph zones covering 26% of the city's roads.

### **National sign-only 20mph limit on residential streets**

The Scottish trial cost £369,315. Data on 68 of the trial sites, covering more than 31,000 households, suggests that the average cost per household was £10.30.

There are just under 20 million households in England. It is not possible to say how many of these households live on residential streets. However, at an upper limit, the cost of implementing sign-only 20mph limits on all residential streets might be roughly £200 million, or £33 million per year between now and 2010.

### **Hull-style traffic calming and 20mph zones**

Hull introduces roughly 20 local safety schemes on residential roads every year. According to the 2003 APR the programmed cost in 2003/04 was £330,000 for 23 schemes. However, a report by IPPR<sup>15</sup> suggests the historic cost of 100 20mph zones between 1994 and 2002 was about £4 million, indicating somewhat higher annual spending of about £500,000.

The population of Hull is 311,000, suggesting an annual cost per city resident of £1 - £1.60. Scaling this up to cover the 33 million people in towns of over 20,000 in England, the annual cost of replicating Hull's programme elsewhere would be £33 - 53 million. The cost between now and 2010 would be £198 - 318 million.

## **2.4.3 Who benefits, and how?**

Lower speeds on residential streets would reduce road deaths and injuries. Between 1994 and 2002, IPPR estimates traffic calming in Hull has saved about 200 serious injuries and 1000 minor injuries.

Introduction of 20mph limits and traffic calming should be focussed in areas of greatest deprivation, where the incidence of child pedestrian injuries is greatest. When Hull began its programme of traffic calming and 20mph zones in 1994, there was a strong correlation between numbers of child pedestrian casualties and an index of ward deprivation. That correlation has now been broken and children in the most deprived wards in Hull are no longer at greater risk.

## **2.4.4 Where might the money come from?**

Local authorities are already spending significant sums on traffic calming and 20mph zones, so not all the cost identified above would be new. Hull's LTP allocation is roughly £8 million per year, so the proportion of funds allocated to traffic calming and 20mph zones is only about 4% of the total. If local authorities collectively were to spend £83 million per year on 20mph zones, this would represent only 4% of the LTP settlement.

### **2.4.5 To what extent might 20mph limits pay for themselves?**

The Scottish 20mph trials were conservatively calculated to have delivered casualty savings worth £177,000 in the first year, equivalent to a first year rate of return of 48%. This suggests that a 20mph signing programme would pay for itself over a period of about two years.

According to IPPR research, the programme of traffic calming and 20mph zones in Hull between 1994 and 2002 delivered savings worth well over £40 million, suggesting that by 2002 the programme had paid for itself at least ten times over.

## **2.5 Increased funding for local public transport, particularly in rural areas**

### **2.5.1 What is being costed?**

Regular bus services (either conventional buses or demand-responsive services) serving all rural settlements of over 250 people.

### **2.5.2 How much would it cost?**

Recent research funded by Transport 2000, the Countryside Agency and Citizens Advice<sup>16</sup> looked at good practice in rural transport services in three case study areas in the Netherlands, Denmark and Germany. All three had better public transport services than most rural areas of Britain. This may partly be due to higher levels of funding, but it is also because their planning framework for rural transport works better, and because they have developed innovative, cost-effective solutions for sparsely populated areas.

For example, in the Dutch case study area, Friesland, the province franchises bus operators to run services. All villages with more than 250 inhabitants are guaranteed a regular service from 7am until 11pm, seven days a week. There is a three-tier network:

- Between towns with a population of 10,000 or more, services are hourly or half-hourly, seven days a week
- Settlements with 5000 – 10,000 residents have an hourly or two-hourly service, seven days a week.
- Settlements with 250 – 5000 residents have a two-hourly service (but more frequent in the morning and early evening).

Under the franchise agreement, some services can be provided by 'Bellbus' fixed-route shared taxis. These only run if someone has phoned to request them. About a fifth of bus kilometres in Friesland are provided in this way. Services are co-ordinated by the public transport company (in this case Arriva), but sub-contracted to local taxi firms. The advantage of Bellbus is that a comprehensive service can be provided at a lower cost than if conventional buses were used.

Friesland receives about £19 million per year from the Dutch government to subsidise public

transport services. This is equivalent to about £30 per person.

Table 4 shows levels of revenue support for public transport in five fairly rural counties of England. These figures do not include funding for concessionary fares schemes or for home-school transport. Home-to-school transport costs may be of the order of two or three times the basic public transport revenue support figures, although it is difficult to judge this accurately as local authority annual progress reports do not give data in a consistent format.

**Table 4 Revenue support for bus services in English rural counties**

	<b>Population</b>	<b>Passenger transport revenue support</b>	<b>Revenue spend per head</b>
Buckinghamshire	479,000	£3.15 million	£6.60
Devon	704,000	£4.65 million	£6.60
Derbyshire	735,000	£4.56 million	£6.20
Hertfordshire	1,034,000	£5.8 million	£5.60
Norfolk	797,000	£3.97 million	£5.00

Revenue support figures are for 2002/03, as reported in Annual Progress Report

To match the level of funding in Friesland, revenue support for rural transport in Britain would have to rise by about £24 per person. If this figure were applied to the 14 million people in England living in settlements of 20,000 or less, the additional cost would be £336 million per year. This is a crude upper estimate of cost based on comparisons at English county / Dutch province level which makes no allowance for degree of rurality.

### **2.5.3 Who benefits, and how?**

Surveys by the Countryside Agency suggest that poor quality transport is the issue of greatest concern to many people living in rural areas. A good quality bus service in rural areas would help people on low incomes to gain access to essential services, work and training. It would also reduce car use in the countryside.

### **2.5.4 Where might the money come from?**

The government currently supports public transport in rural areas through Rural Bus Subsidy Grant and Rural Bus Challenge totalling about £81 million per year. This means an additional £255 million per year would need to be found if we were to offer rural public transport of comparable quality to that in Friesland.

Some benefits could be had with a lesser increase in funding, provided this was closely targeted. Forthcoming research by Peter Headicar of Oxford Brookes University<sup>17</sup> finds that some of the money from the rural transport fund is poorly spent. For example, he estimates roughly £16.5 million of the total rural bus subsidy grant of £51 million is spent in peri-urban areas, and suggests that if these areas were excluded the grant available for genuinely rural areas could be increased by almost 50%. He also argues that Rural Bus Challenge funding

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is largely allocated on a 'one project per authority' basis which leads to great variation in spend per head of population: from £640,000 for a project in Rutland (total population 34,000) to £27,000 in Norfolk (population 797,000). This suggests there is scope for allocating existing grant more effectively.

There is also the potential to make better use of funding by pooling existing budgets for rural public transport support with related budgets such as that for home-to-school transport and special transport for hospital or health centre patients. In Friesland and parts of Scandinavia, demand-responsive door-to-door services are funded by combining existing district budgets previously used for health-care transport, transport for disabled people and social services transport. In Britain, these services are organised and funded separately, leading to poor vehicle utilisation and missed opportunities for more efficient booking and administration procedures.

## **2.6 Streets, lanes and paths in good condition and pleasant for walking**

### **2.6.1 What is being costed?**

Residential streets will be improved by the pledge to introduce as standard, enforced 20mph limits (covered elsewhere) and ongoing DfT commitment to such schemes as home zones - which improve the quality of life for local residents through the implementation of measures to slow traffic and make people feel 'at home in their street'. However action is also needed in other areas.

Main roads and shopping streets, especially those in towns and cities, can be more difficult to tackle. This is because these streets feature a variety of different users and uses of the street, some of which have the potential to conflict with others e.g. maintaining through traffic and public transport movements whilst providing maximum potential for pedestrians and cyclists. These roads - which often suffer from poor road safety rates, high pollution levels and community severance - would benefit by an approach which looked at the whole street space in a holistic manner, rather than one or two blackspots.

- a. The Department for Transport has already started to do this with its Mixed Priority Route schemes where 10 local authorities are each in receipt of £1million to tackle a major road in their area. This initiative should be rolled out across England by 2010.
- b. In the countryside, the state of the path network is varied and the Countryside Agency estimates that 20% of stiles, gates and bridges in England are either in need of attention or unusable. The rural path network across England should be brought up to scratch
- c. A study carried out on behalf of the Government estimates that 26% of paved surfaces on highways are in a condition which could pose a hazard to pedestrians or other users and that 70% of paved areas featured significant obstructions<sup>18</sup>. The urban pavement network throughout England should be brought up to a satisfactory condition.

## **2.6.2 How much would it cost?**

- a. On main roads, to provide at least one scheme for revitalizing main roads in each of the smaller urban areas (population over 20,000) in England, and multiple schemes to be implemented across the major cities in England (including at least one scheme in every London borough), would require a Revitalising Main Roads challenge fund of at least £1 billion. This is based on the DfT's view that to do these schemes effectively, a budget of at least £1 million is required for each one.
- b. For rural areas, the Ramblers' Association estimates that it would cost £69 million to restore the existing path network in England to an acceptable standard for public use and then £19 million per year to maintain the network<sup>19</sup>. Through to 2010 this would mean expenditure of £183 million.
- c. A sum of £100 million a year could begin to tackle the maintenance backlog for urban paved areas and also enable local authorities to start to meet the standards for pedestrian provision set out in the DfT's own guide *Inclusive Mobility* e.g. in commonly used pedestrian area, seats should be provided at intervals of no more 50 metres.

## **2.6.3 Who benefits and how?**

- a. The benefits from public realm improvement schemes are clear. Transport for London recently wrote that "public realm improvement schemes have provide overwhelmingly positive benefits to city centres in the UK, particularly in terms of economic benefits"<sup>20</sup>. Under the Public Realm Improvement programme, Glasgow moved, within ten years, from a retail rank of around 20-30 to the third most in-demand city centre for retailers. Pedestrian flow on some streets in Glasgow is up by 38%. Similarly, in Birmingham retail rents and office rents have improved and retail demand rose throughout the 1990s as improvement works progressed.
- b. In rural areas, the current levels of use of the path network in England (527 million walking trips to the English countryside a year) are estimated to lead to expenditure by visitors of £6.1 billion per year. The bulk of those trips are accounted for by leisure walking trips and tourist trips that involve a short walk as an activity.

This spending by walkers brings significant benefits to the local economy in income, and also job generation. It is estimated that between 180,000 and 246,000 full-time equivalent jobs are supported as a result of walkers' expenditure in rural areas.

There are additional benefits from walking. DEFRA states that: "walking as a form of exercise has a particular role in the protection of cardiovascular health and function...it is the most popular and accessible form of exercise irrespective of age, lifestyle or location"<sup>21</sup>.

- c. Improving the walking environment in cities can reduce crime. The organisation Living Streets says that perhaps the most significant gain to society from encouraging people to walk more is in the area of crime reduction<sup>22</sup>. Pedestrians provide a natural surveillance of the built environment. For example, in a burglary study on Kirkholt council estate in

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Rochdale, burglars were twice as likely to break into a house visible only to a neighbour as they were to try to enter a house that could be seen by passers-by. Pedestrians are in effect the eyes and ears of the street.

### **2.6.4 To what extent might these policies pay for itself?**

In Camden, the Boulevard Project has shown the importance of pavements in creating pleasant conditions for walking. Pavements across the borough have been improved and the council says that it has saved money that would have had to be paid in compensation to people falling on uneven paving.

## **2.7 Quality standards that bus and rail services must meet**

### **2.7.1 What is being costed?**

For railway stations, the Rail Passengers' Council (RPC) estimate that outside of Network Rail's major stations, 41% of rail journeys start at the next largest 207 stations. These 'second-tier' stations represent 9% of the total number of stations and see significant passengers on a daily basis, but they fail to meet acceptable standards for customer comfort, safety and accessibility. Funding should be allocated for improvements at these important stations. A separate fund (possibly a reinstatement of the Rail Passenger Partnership grants suspended two years ago) could fund station improvements at smaller stations, as well as non-station improvements such as cycle access, integration with bus services. This would cover improvements which are in the passenger interest but where it is harder to make a business case.

An alternative position would be to speed up the compliance of rail stations with the Disability Discrimination Act (DDA) 1995. This would involve improvements to access, lighting, signing, information and security. The RPC report *Trains fit for a Purpose* from March 2003 shows that passengers often experience low quality journeys, especially but not exclusively those with mobility problems.

For buses, our view is that many of the quality improvements required to bus provision would be covered by manifesto pledge three which covers a range of improvements likely to be brought about by wholesale local authority commitment to bus quality partnerships. Again, the Disability Discrimination Act requirements for transport provide a good proxy for an accessible, attractive and effective bus services.

### **2.7.2 How much would this cost?**

A fund targeted at station improvements at the 207 second-tier stations, with £100,000 being spent at each, would cost £21 million. A further fund of £300 million a year, equivalent to the reinstatement of the Rail Passenger Partnership Fund would fund smaller scale improvements making a real difference to the quality of journeys experienced by passengers.

Alternatively, the RPC estimates that the cost of bringing all rail stations up to compliance with the DDA would be approximately £1 billion. This may be a maximum figure as there might be a case for developing more appropriate standards on low-speed lines, which currently are required to meet the same standards as high-speed main lines. For example, on low-speed lines simple surface-level crossings could be a safe way to provide access to platforms for people with mobility difficulties, yet these are not currently permitted on health and safety grounds.

### **2.7.3 Who benefits and how?**

Improving access at stations will benefit all of us, but in particular disabled people, older people and those with small children.

Improved security on public transport is a major concern. A recent Government survey found that 53% of women and 23% of men felt unsafe on a railway platform after dark, and that 44% of women and 19% of men felt unsafe waiting for a bus (DETR 'Get on board: an agenda for improving personal security in bus travel'). Concern is greatest among women and ethnic minority communities.

## **2.8 National Railcard**

### **2.8.1 What is being costed?**

This measure proposes the introduction of a national railcard offering discounted off-peak travel for passengers who are not eligible for other railcards such as a Young Person's Railcard or Senior Citizens' Railcard.

Research into the potential for such a card has been carried out for the Rail Passengers' Council<sup>23</sup>. This shows that the optimum pricing scheme, in terms of profits, would be a card priced at £30 and offering a 50% discount on off-peak travel. In this case:

- between 2.7 and 3.5 million cards would be sold; and
- off-peak passenger miles would increase by between 25% and 35%, from both generation of new trips and abstraction from other modes.

Railcards are widely used by other European rail operators, such as SBB in Switzerland, being seen as a valuable commercial product.

### **2.8.2 How much would this cost?**

The modelling shows that its optimum pricing scheme would generate between £73 million and £102 million incremental profits for Train Operating Companies (TOCs) and result in a reduction in subsidy of between 0.96 pence and 1.25 pence per passenger mile.

### **2.8.3 Who benefits and how?**

According to the Commission for Integrated Transport<sup>24</sup>, the cost of tickets is the single biggest barrier to increased use of rail services, cited by 33% of potential passengers in relation to local services, and 37% in relation to long-distance trains. The introduction of a national railcard would help make train travel more affordable for many people.

Specifically, a national railcard would help tackle problems of transport and social exclusion by making it more affordable for people on lower incomes to travel by rail. A card with a lower upfront price than the optimum case might provide a greater impact on social exclusion. The modelling shows that a card costing £20 and offering a 30% discount would still have a substantial impact on passenger miles (11-14% increase) and subsidy (reduction of 0.5 – 0.62 pence per passenger mile), and would still generate incremental profits for TOCs (£49 million - £62 million). Alternatively, the card could be offered at no cost to certain groups.

A national railcard would also help the Government achieve its PSA target 2 of a 50% increase in rail use over 2000 levels by 2010.

We believe there would be a strong case for the SRA to model the impacts on passenger use and income if the national rail card were to formally replace the other discount cards currently on offer. In this case, targeted groups of people – older people, young people and people on benefits perhaps - could qualify for a reduced-cost national rail card. This would have the added benefit of simplifying the fares system hugely with everyone being eligible for one discount rail card.

## **2.9 Purchase incentives for smaller, cleaner vehicles**

### **2.9.1 What is being costed?**

There are four elements to this:

- Greater differentials in Vehicle Excise Duty (VED) to give clearer signals about purchasing smaller, cleaner cars;
- Larger grant funds for the purchase of lower carbon vehicles, such as Hybrids, Electric Vehicles and low-emission LPG and Natural Gas vehicles, and the fitment of cleaner technology to both lorries and buses.
- A step change in government support for research & development into potential longer-term technological solutions, such as fuel cells and hydrogen; and
- Increased differentials for bio-fuels, additional government support for research & development and capital grants for processing plants for products such as bio-ethanol.

### **2.9.2 How much would this cost? / To what extent might this pay for itself?**

Introducing graduated VED bands would raise additional revenue for the Treasury. Initial

calculations show that introducing graduated VED bandings ranging from the current lowest level up to £500 for the most-polluting cars would, on the basis of cars on the road in 2002, produce over £1 billion additional revenue annually, even when the impact of the scheme in encouraging the purchase of smaller – lower-taxed – vehicles is taken into account<sup>25</sup>.

The funding needed to increase grants for purchase and conversion, for bio-fuel grants and differentials and for increased R&D expenditure on hydrogen and fuel cells and bio-fuels could all be taken from the increased revenue from a graduated system of VED. Current grant funding totals around £14m a year.

UK government support for R&D into hydrogen and fuel cells is currently limited compared to other countries: the Japanese government spent £120 million in 2002 on research into hydrogen and fuel cells<sup>26</sup>. A similar fund should be set up in the UK to fund the second and third measures above.

### **2.9.3 Who benefits and how?**

The benefits from this measure would be widespread: the greater use of smaller, cleaner vehicles would help tackle climate change emissions from transport. If the additional revenue from higher VED on larger more polluting vehicles was used to reduce VED for smaller cleaner vehicles, then the owners of these vehicles would benefit.

Research for the Department for Transport<sup>27</sup> shows that a differential of up to £50 between VED bands would prompt one-third of car buyers to choose a vehicle with lower emissions.

## **2.10 Rail freight**

### **2.10.1 What is being costed?**

This section costs the measures needed to keep the economy competitive and cater for the new industry standard larger size containers, while reducing road congestion, accidents and air pollution. Measures come in two types: infrastructure projects, and funding for rail freight.

### **2.10.2 How much would this cost?**

#### **Infrastructure projects**

Six schemes are proposed, with a total capital cost of £140 million

- Southampton to West Midlands gauge clearance work - £40 million  
This would stop 1000 lorries spilling onto the roads of Southampton and the A34 corridor to the West Midlands each day at today's traffic levels – more as port throughput grows. Annual growth of container traffic is five to eight per cent
- Peterborough - Nuneaton gauge clearance work - £40million  
This would remove 1360 lorries a day from the road network
- Ipswich to Leeds via Peterborough gauge clearance work – £20million

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Both this and Peterborough – Nuneaton are part of essential works to take freight north from Felixstowe

- Transpennine via Diggle gauge clearance - approximately £30 million  
This would add flexibility to meet customers needs and provide a key diversionary route for Anglo-Scottish freight using the West Coast mainline.
- Brigg Line, Northern Lincolnshire - £5-10 million  
Re-opening the line for freight will provide a critical diversionary route for freight from the port of Immingham, which currently generates around a quarter of the UK's total rail freight traffic.
- Trent Valley  
Upgrading the Trent valley line to four tracks would provide important additional capacity to benefit both freight and passenger services removing the bottlenecks at Rugby and Stafford.
- Small scale schemes - total budget of £5m

### **Funding for rail freight**

- Freight Facilities Grants (FFGs)  
These amount to £25 – 30 million a year and are the only capital support given to rail freight by the Government. FFGs have contributed to a 50 per cent increase in rail freight since 1994. Rail now represents 11 per cent of the UK surface freight market. Government support for rail freight is about 4 per cent of its support for rail passenger services. The Rail Regulator's review of track access charges confirms that rail freight does pay its way and meets its marginal costs, ensuring that charges levied fully reflect freight trains weight and impacts on the infrastructure. FFGs lever in significant outside investment: for every £1 of grant, on average over 70 pence is provided additionally by the companies involved. FFGs give the industry the confidence to invest and that Government is committed to rail freight.
- Track Access Grants  
These total £2 - 3 million per year this year and should be increased by £0.5 million a year to a total of £5 million a year
- Company Neutral Revenue Support (CNRS)  
The CNRS scheme relates to intermodal traffic such as cargo in deep sea boxes, swap bodies and piggyback wagons, either from ports or within the UK. CNRS totals £22 million a year currently, with funds committed for the next two years. Annual funding of £25million is needed. For the period to 2010 this therefore means top-up funding of £3 million a year for the next three years, and extra funding of £25 million a year for the three years after that.

### **2.10.3 Who benefits and how?**

In 1998/9 central and local government spent £2.1 billion on maintaining the road network, of which local authorities spent £1.6 billion<sup>28</sup>. Lorries are almost entirely responsible for road wear and tear: a 40 tonne, 5 axle lorry causes tens of thousands of times more damage than

an average car<sup>29</sup>. An average freight train can remove 50 HGVs from the roads. Shifting freight from roads to rail would have other knock-on benefits, including lower air pollution, and lower accidents. The synergy between passenger and freight services should not be overlooked. Investment in one benefits the other as new freight capacity will free up capacity for passengers.

## **2.11 Services and facilities close to people so that they don't need to drive**

### **2.11.1 What is being costed?**

Measures to reduce the distance people have to travel to get to services are often not just needed to increase accessibility of services, but it can improve the quality of life in deprived areas, and reduce crime. For example, increasing walking in an area is a good way to increase community safety as it acts as a deterrent to crime. If plenty of people walk to places, it makes other people more confident to do the same. Living Streets says there are three things that encourage people to walk: having local services within a 15 minute walk; well connected streets with safe crossings; and wide, well-lit, unobstructed pavements.

Many of the measures required to bring services closer to people involve planning, rather than spending. However, some spending measures are needed, particularly in deprived areas where a lack of nearby services is a much greater problem (as car ownership is on average much lower). The Government has in recent years put in place a number of time-limited schemes to address these problems. We advocate extending these schemes, and putting funding more capacity at local transport authority level to identify areas where accessibility is a particular problem – in line with the new accessibility planning requirements.

### **2.11.2 How much would this cost?**

- Deprived Urban Post Office Fund  
Extending this to 2010 with increased coverage would cost £5million a year
- Small Retailers in Deprived Areas Initiative  
This is linked to Crime and Disorder Reduction Partnerships. It covers 3000 - 4500 shops a year, in the most deprived 10% of areas. Extending this to 2010, with coverage into the 20% most deprived areas, would cost £5 million a year.
- Phoenix Fund  
This fund is administered by the Small Business Service. It was set up in 1999 to encourage entrepreneurship in deprived areas. It was given £94 million for the first three years, and was extended by further £50 million from 2003. It aims to make retail a priority sector by encouraging small and medium sized business development in disadvantaged areas. This should be extended to set up a priority funding stream for increasing access to food shops selling fresh fruit and vegetables in deprived areas. This would cost an estimated additional £5 million a year.

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- Capacity  
Each local transport authority will need a senior-level transport professional to deliver the new requirements on accessibility planning – coordinating community involvement, the accessibility audit, resources audit and action plan, and working cross-departmentally across health, transport, education, crime prevention and regeneration sectors. This will cost an estimated £5 million a year.

### 3 Impacts on Public Service Agreement targets

Public Service Agreements (PSAs) are the key targets set for Government departments. Table 5 shows that the Way to Go manifesto would help the delivery of PSA targets across Government. In the table: - indicates no / negligible impact and + indicates a positive impact

Table 5 – Impact of Way to Go measures on PSA targets

	Congestion <sup>30</sup>	Rail <sup>31</sup>	Bus <sup>32</sup>	Accidents <sup>33</sup>	Air Quality <sup>34</sup>	Crime <sup>35</sup>	Heart Disease <sup>36</sup>	Health Inequalities <sup>37</sup>	Carbon Emissions <sup>38</sup>
	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	+	-	-	-	-	+	-	+	+

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The measures identified to help pay for implementing the manifesto measures would also impact on delivery of PSA targets.

**Table 6 – Impact of proposed funding measures on PSA targets**

	Congestion	Rail	Bus	Accidents	Air Quality	Crime	Heart Disease	Health inequalities	Carbon emissions
Fuel duty up	+	-	-	-	-	-	-	-	+
VED up	-	-	-	-	+	-	-	-	+
Cut road schemes	-	-	-	-	+	-	-	-	+

## 4 Distributional effects

This section shows how implementing the Way to Go manifesto would affect different groups in society. The figures are based on the Government's *National Travel Survey 1999 / 2001 Update*<sup>39</sup>.

Table 7 shows the mode of travel by income quintile. The poorest households in the country rely more on walking (41.6% of all journeys made) and buses (12.5% of all journeys made) than the richest households (18.7% and 2.5% respectively). Car use is much more important for the richest households than the poorest, accounting for 73.2% of all journeys made. Rail is also used predominantly by richer households.

**Table 7 – Use of mode by quintile – trips per person per year by household**

	Lowest income quintile	2 <sup>nd</sup> income quintile	3 <sup>rd</sup> income quintile	4 <sup>th</sup> income quintile	Highest income quintile
Walk	327 (41.6%)	274 (30.8%)	267 (25.8%)	236 (21.6%)	213 (18.7%)
Cycle	13 (1.6%)	14 (1.6%)	18 (1.7%)	17 (1.6%)	14 (1.2%)
Car	338 (43.0%)	522 (58.8%)	681 (65.7%)	782 (71.5%)	835 (73.2%)
Bus/Coach	98 (12.5%)	70 (7.9%)	57 (5.5%)	41 (3.7%)	29 (2.5%)
Rail	10 (1.3%)	8 (0.9%)	13 (1.3%)	18 (1.6%)	49 (4.3%)
TOTAL	786	888	1036	1094	1140

Table 8 emphasises these points, showing the percentage of all journeys by a given mode according to income quintile. Thus people from the poorest households account for almost a quarter of all journeys made on foot and almost a third of all journeys made by bus whereas people from the richest households account for roughly a sixth and a tenth respectively.

**Paying for better transport: costing the ‘Way to Go’ manifesto**

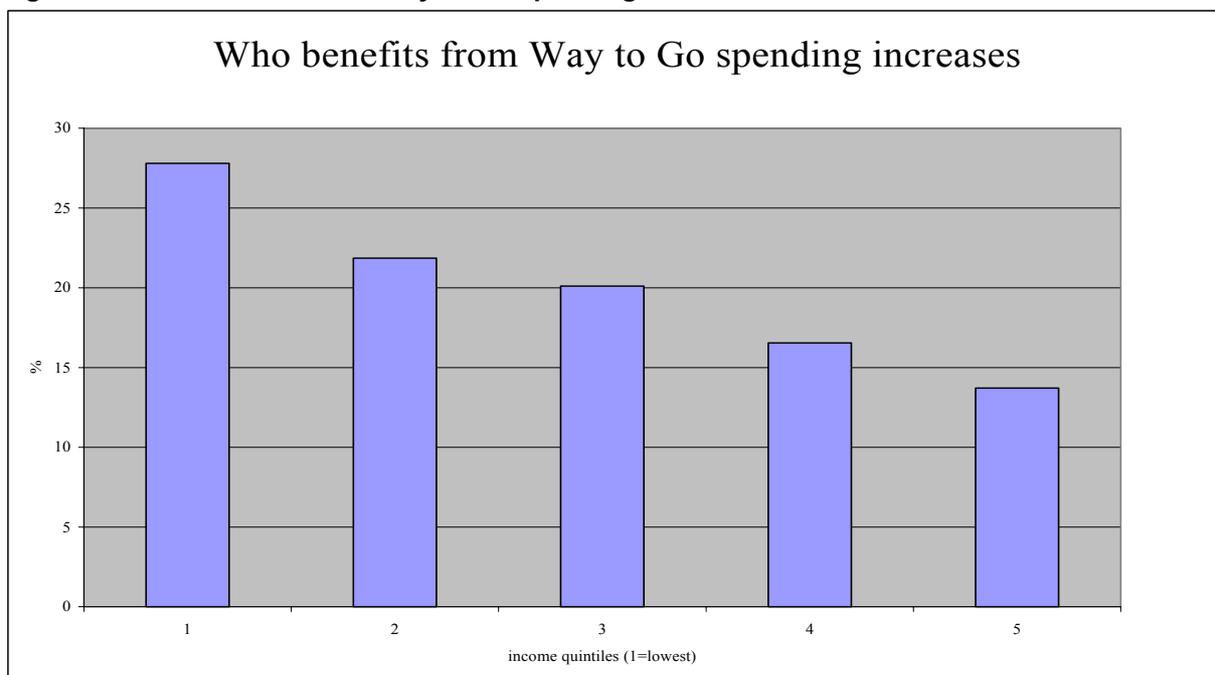
**Table 8 - Use of mode by quintile – percentage of total trips per mode**

	Lowest income quintile	2 <sup>nd</sup> income quintile	3 <sup>rd</sup> income quintile	4 <sup>th</sup> income quintile	Highest income quintile
Walk	24.8	20.8	20.3	17.9	16.2
Cycle	17.1	18.4	23.7	22.4	18.4
Car	10.7	16.5	21.6	24.8	26.4
Bus/Coach	33.2	23.7	19.3	13.9	9.8
Rail	10.2	8.2	13.3	18.4	50.0

Thus because walking and buses are used more by people in poorer households, improving these modes would be progressive, helping poorer households most. Cycling is used by all income groups roughly equally. Rail and motoring are used predominantly by richer people. The rail card measure would be progressive as its effect is to make rail travel more affordable. We advocate that funding for these measures comes mainly from increasing fuel duty (though only to keep motoring costs constant, rather than see them falling, as is the case at present) and cutting road building. This would be broadly progressive (as poorer people benefit less from road improvements, and pay less of the fuel duty rises, as they drive less). This package would go a long way to address the currently deeply regressive pattern of transport spending.

Figure 1 assesses the overall benefits to each income quintile of the spending outlined above, based on the use of each mode.

**Figure 1 – Who benefits from Way to Go spending increases**



This shows that the greatest benefit would accrue to the poorest households. This is in direct

## Paying for better transport: costing the 'Way to Go' manifesto

contrast to the current 10 year transport plan, which benefits the richest households most and the poorest households least.

Figure 2 shows that, by contrast, spending on new roads benefits the richest households most as they travel furthest by car.

**Figure 2 – Who benefits from planned spending on new roads**

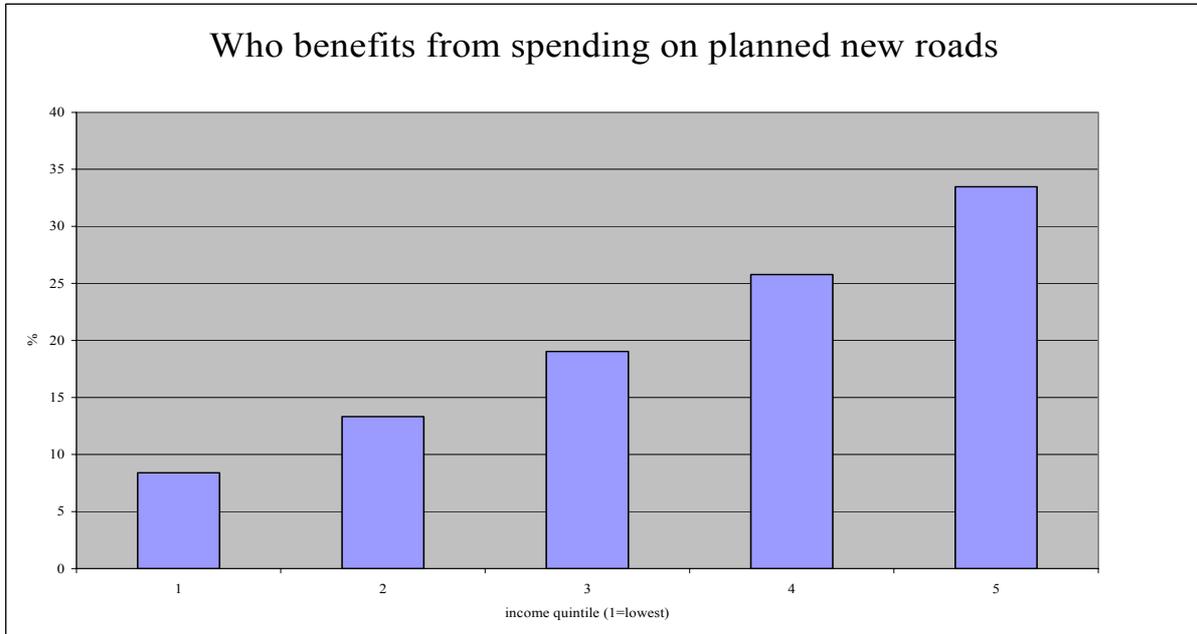
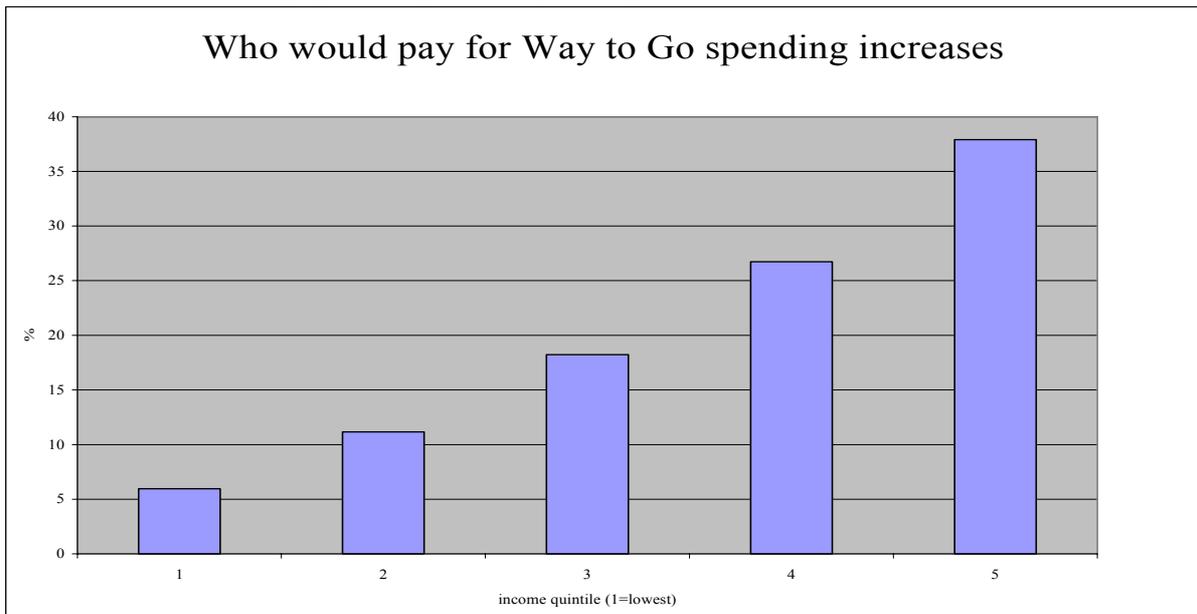


Figure 3 shows who would pay for the measures in the Way to Go manifesto, assuming the money spent came from increases in fuel tax and VED. The figures are based on miles travelled by car<sup>40</sup>.

**Figure 3 – Who would pay for Way to Go spending increases**



This shows that the funding measures proposed are also progressive, as richer households

would pay proportionally more.

## **5 Proposed funding sources**

Three possible sources of funding are proposed:

- Increases in road fuel duty to keep the costs of motoring constant
- Increases in Vehicle Excise Duty for more polluting vehicles
- Cutting expenditure on road building

### **5.1 Keeping motoring costs constant through increases in fuel tax**

Motoring costs are 4.8% lower in real terms now than when the current Government came to power in 1997, whereas bus travel is 8.2% more expensive and rail travel 3% more expensive<sup>41</sup>. Motoring costs are forecast to fall further in real terms this decade: improvements in vehicle fuel efficiency and no real terms increases in fuel duty will result in "an average reduction in motoring costs per car kilometre across the car fleet as a whole of some 20% in real terms between 2000 and 2010"<sup>42</sup>.

Friends of the Earth has calculated that keeping motoring costs constant through gradual increases in fuel tax could raise between £16.7 and £30.2 billion this decade<sup>43</sup>.

### **5.2 Increasing Vehicle Excise Duty for more polluting vehicles**

Calculations by Friends of the Earth show that increased road tax for gas-guzzlers could raise £1 billion annually – see section 2.9.2 above

### **5.3 Cutting road building**

Since 2000, the Government has announced many new road-building or widening schemes. A number of these could be scrapped and the money better spent on investing in measures in the Way to Go manifesto. Table 9 lists schemes which should be considered.

Road-building is not the answer to Britain's transport problems. It is expensive and all too often merely provides a short- to medium-term solution to transport problems. New road capacity frequently generates additional traffic, with shorter journey times attracting more trips. Road improvements open up land for new development often in locations only accessible by car. Through generating more traffic, road building will hinder progress on tackling climate change.

Several of the multi modal studies recommended the adoption of road user charging, or other demand management measures, in the longer term as necessary for reducing rates of traffic growth. The Way to Go coalition supports such policies and would like to see movements towards a national road user charging system as soon as possible.

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Many of the proposed road schemes affect trunk roads and motorways which currently carry high levels of local traffic (e.g. the M1- North/South Movements in East Midlands multi modal study found that only 9% of traffic on the M1 in the study area was through-traffic); this undermines their strategic purpose. Road widening would generate even more local traffic and encourage further dispersal of activities. However, soft measures such as workplace traffic plans and safe routes to school, as well as public transport improvements are most effective in tackling relatively local and shorter journeys and should be considered as the primary solution to congestion and too much traffic.

The new project appraisal rules, building in "optimism bias" or cost overruns, further expose the high costs of road building. For example, the cost of widening the M1 through the East Midlands, estimated at £700 million in the multi modal study Final Report (December 2001), has risen dramatically to £1.9 billion upon entry into the Targeted Programme of Improvements (April 2004). This is a 271% cost escalation. A further scheme, the A14 Ellington to Fen Ditton Improvement was originally costed at £192 million in the Final Report of the Cambridge to Huntingdon Multi Modal Study and is now costed at £490 million. This represents a 255% cost escalation. Schemes awaiting entry into the national roads programme will also be subjected to this process and some of the estimated costs for roads in this category below may rise substantially.

**Table 9 – Road schemes which could be cut**

Targeted Programme of Improvements	Cost £m
<p><i>Plans to widen most of the remaining sections of the M25 to 4 lanes</i> A number of Sites of Special Scientific Interest (SSSIs) would be damaged by this scheme plus up to 34 ancient woodland sites. Consultants for the study have made it clear that widening of the M25 should only go ahead with some means of controlling traffic growth and recommend area-wide road user charging with traffic light controls on motorway sliproads.</p>	1600
<p><i>Widen the M1 in the East Midlands generally to 4 lanes (between junctions 21 and 30) and A6 Kegworth bypass )</i> Evidence has shown that the bulk of the traffic on this part of the M1 is local, using the motorway to travel only a few junctions. This implies that other measures in the area to improve public transport and create genuine non-car alternatives could deal with any congestion problems. The cost escalation of this scheme has so far been 271%. Three local nature reserves could be affected by this scheme.</p>	1900
<p><i>A1(M) Ferrybridge to Hook Moor, Dishforth to Leeming, Bramham to Wetherby, Leeming to Barton</i> (schemes from the A1 Bramham to Barton Roads Based Study which link up) This scheme is justified primarily on safety grounds, although speed reduction measures and other quicker and easier safety measures are not being prioritised.</p>	452
<p><i>A14 Ellington - Fen Ditton Improvement</i> A number of SSSIs could be affected by this scheme which has been subject to cost escalations of 255%.</p>	490

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<p><i>A590 High &amp; Low Newton</i> The proposal conflicts with the Government's own policy presumption against major road upgrading within National Parks. Since the imposition of a 40mph speed limit in December 2001, accident levels have more than met the targets set in the national Road Safety Strategy and there have been no fatalities within the limit area. These reduced speed limits clearly represent an alternative solution to the road safety problem that is the claimed justification for the bypass. The decision to proceed with the scheme was made in isolation from the A590 Route Management Strategy which commenced recently. This will examine similar safety issues along the route through the implementation of small-scale engineering and traffic management measures.</p>	22
<p><i>A11 Fiveways to Thetford Improvement</i> The scheme includes dualling a single carriageway section of the part of the A11 that currently bisects two SSSIs. A more sustainable and cheaper solution would involve a small bypass around the village of Elveden and speed reduction and enforcement measures on the non-built up sections of the route.</p>	33
<p><i>A628 Mottram Tintwistle</i> 1.3km of the bypass will cut through the Peak District National Park causing serious damage to the landscape below Tintwistle Low Moor and further sections of the road will be raised on stilts which will be highly visually intrusive from the Park. Sixty per cent of traffic using the A628 corridor is local so it is questionable if a new road will actually reduce congestion levels significantly. This scheme is inconsistent with National Park designation.</p>	90
<p><b>Approved Schemes awaiting more detailed design</b></p>	
<p><i>Plans to widen the M1 between M25 and Milton Keynes to dual 4 lanes</i> Demand management techniques should be tried in preference to road-building to constrain traffic growth.</p>	623
<p><i>A5 – M1 Link Road (Dunstable Northern Bypass)</i> <i>M1 – A6 Link and A6 – A505 Link (Luton Northern Bypass – all part of London to S Mids MMS)</i> The Dunstable and Luton Northern Bypasses would form a new route through environmentally sensitive countryside. They would undoubtedly generate considerable local traffic and facilitate out-of-town car-based development.</p>	27.44 43.94
<p><i>Plans to widen the M11 between junctions 8&amp;9</i></p>	171
<p><i>A12/M25 Brook Street interchange, A12 (M25 to Chelmsford) widening, A12 Chelmsford to A120 Ardleigh Interchange</i> These schemes would damage ancient woodland, SSSIs and Dedham Vale Area of Outstanding Natural Beauty (AONB).</p>	485
<p><i>M6 widening between Manchester and Birmingham from three to four lanes (between junctions 19 and 11a)</i> There is no clear need for widening as this section of motorway, particularly the Staffordshire end, does not suffer from widespread congestion and there is no clear evidence about how soon it will. Widening would encourage more traffic onto the motorway. As well as destroying large tracts of rural countryside in</p>	670

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Cheshire and Staffordshire, this would encourage even more people to move out of Manchester and Birmingham and commute back in, adding to congestion on the more seriously congested sections of the urban motorway network and undermining the Government's policy of reducing the need to travel.	
<i>Improvements to the M60 around the north and west Manchester</i> Ancient Monument, woodland and green belt are all threatened by this scheme.	479
<i>Dualling most of the remaining single carriageway on the A303 and improving sections of the A30 west of Exeter</i> On some sections, much of the traffic is local. Congestion is highly seasonal. The case for dualling on grounds of reducing the peripherality of Devon and Cornwall has not been demonstrated.	77
<b>Local Schemes</b>	
<i>A6 Stockport North-South Bypass with a Stepping Hill Link, A555 Manchester Airport Western Link Road, A555 Manchester Airport Eastern Link Road, A523 Poynton Bypass and A523 Poynton to Macclesfield Improvement</i> The SEMMMS 'Relief Road' would destroy areas of ancient woodland and rich ecology, two candidate Local Nature Reserves and, potentially, a candidate SSSI. The proposed alignment lies in and cuts through substantial flood plain areas and the Environment Agency has signalled major concerns as to the water quality impacts and drainage implications. Claims for regeneration are as yet unproven.	170
<i>Weymouth Relief Road</i> Areas under threat if this road were to be built are extensive and include the Dorset Downs, Heaths and Coast AONB and Lorton Valley SSSI (which includes ancient woodland). The claims made about the economic regeneration benefits of the road have been exaggerated and no alternatives to a road have been properly considered by the County Council.	55
<i>Northern Gateway Stage 2 (North Tyneside)</i> This will place great development pressure of greenfield land allocated for industrial development in North Tyneside.	9.5
<i>Brunel Link/Harnham Relief Road</i> The economic case for the Brunel Link in comparison with other solutions was incorrectly assessed by the Salisbury Transport Study and the case has worsened with the rise in costs from £13 to £18 million. The scheme is locally unpopular and would cause adverse harm to the flood plain of the River Nadder. It would also be the first step in building a Salisbury bypass by stealth.	18
<i>A36 Wyllye Valley Relief Road</i> This route will run through, and have considerable visual impact, on a Special Landscape Area. The scheme could undermine county council plans to upgrade both Westbury and Salisbury train stations	34
<i>A350 Westbury Bypass</i> Wiltshire County Council's unpopular preferred route would run along the edge of the Salisbury Plain and close to the well-known Westbury White Horse,	16

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having a considerable visual impact on the landscape viewed from this important Heritage site. The proposal takes the road on the opposite side of town from a railway line and trading estate meaning that a further road link has been proposed to the trading estate.	
<i>A36 Codford-Heytesbury Improvement</i> This scheme lies entirely within the Cranbourne Chase and West Wiltshire Downs AONB and would involve a major cutting through the AONB.	8
<b>TOTAL</b>	<b>£7.474 billion</b>

<b>Schemes Under Consideration</b>	<b>Cost £m</b>
<i>A47 Acle Straight (further HA investigations following Norwich – Great Yarmouth roads based study)</i> The cost is likely to be an underestimate by a considerable margin as the Halvergate Marshes, crossed by the road, lie below sea level in an area at high risk from flooding. The roads based study recommended widening of the single carriageway through the Broads National Park. However, local authorities and EERA lobbied for dualling on economic grounds even though they have been unable to produce supporting evidence. The Government has yet to publish the findings of a Stage 3 Environmental Assessment by the Highways Agency comparing the impacts of widening and dualling.	11.5 – 24.7
<i>A417 Cowley to Brockworth Bypass Improvement (route options stage)</i> This section is the remaining single carriageway on the A417/A419 between M4 and M5 and the most environmentally sensitive as the road passes through the Cotswolds AONB and close to a number of SSSIs, hugging the dramatic wooded escarpment at Crickley Hill. The option recommended for taking forward for more detailed design and assessment, involving an additional two lanes down Crickley Hill and a grade-separated junction at Air Balloon roundabout, is costed at £60m.	60
<i>Bexhill - Hastings Link Road (route options stage)</i> The link road is a major plank in East Sussex County Council's recent public consultation on future travel options for Bexhill and Hastings. The selected route option is likely to be submitted as a scheme for provisional funding in the Council's LTP Annual Progress Report in July 2004. It is intended to form part of a package of regeneration measures for Hastings. However, less damaging and more socially inclusive measures which benefit the most deprived wards in the town should be explored. All route options featured would cause environmental damage (in July 2001, the Government rejected the Western Bypass for Hastings, along with the Eastern Bypass).	50 – 145
<i>A406 North Circular Bounds Green - Green Lanes (requested by Mayor)</i> The proposal would require the demolition of over 300 properties and lead to an increase in traffic and air pollution.	600
<b>TOTAL</b>	<b>£721.5 – 829.7 million</b>

## **5.4 Further thoughts on funding**

We argue that some of the funding we suggest should come from increases in Vehicle Excise Duty for more polluting vehicles, and from increases in road fuel duty. At present, the real cost of motoring is falling, and is projected to reduce by 20-30% 2000-2010, as a result of increased fuel efficiency and alternative fuels, which attract tax breaks. As a result of these tax breaks, revenue from motoring taxes is also projected to fall by £3bn a year by 2010 compared with 2000.

We believe that such a reduction in motoring costs will lead to increased road traffic and congestion, and that this could overwhelm the benefits from fuel efficiency as people trade the reductions in motoring costs for longer journeys in bigger and less fuel efficient vehicles. While the Chancellor has ruled out increases in fuel or vehicle duties in the next year, we believe that increases in following years are justified – not to increase motoring costs overall, but to keep them constant and to reduce incentives to buy less efficient and more polluting vehicles. Increases in fuel duty above inflation are, according to the Budget statement of 2000, to be hypothecated to transport, so revenue funding would be available. We also believe that any move towards road user charging (included as the twelfth point in our manifesto, but not included here because it is beyond the 2010 horizon of this exercise) will require associated revenue spending to make it acceptable and to provide alternatives for more car journeys.

However, increasing revenue funding for transport is not a simple task. There is in fact no transport revenue budget (unlike for education or social services) – the local authorities get a spending assessment for road maintenance but not for any other transport, and although authorities are theoretically being given freedom to reallocate funding across budgets, pressures from Whitehall on education in particular has led to councils raiding transport budgets. There are a number of ways round this:

- Use existing Government funding to promote transport objectives. Our proposals already include extending and expanding programmes by the Home Office (Crime and Disorder Reduction Partnerships) and DTI (the Deprived Urban Post Office and Phoenix Funds and R&D funding for alternative fuels).
- Integrate transport further with other Government department spending. We show in section 3 that many of our measures would assist other Government departments in achieving their objectives, and these departments could contribute to transport programmes to recognise this. This is particularly true for safe routes to schools and the measures to promote cycling and walking, since these will improve health and reduce crime. Joint programmes, co-ordinated locally by the accessibility co-ordinators that we propose as ways of providing “services and facilities close to people so they don’t need to drive”, would be needed to deliver these improvements on the ground. Increased bus services would also benefit other Government departments.
- Use existing transport funds better. Our proposals already identify ways to use funds such as rural bus subsidy grant better. Joint procurement of all transport services within a particular area can also achieve economies, as counties like Devon and Cheshire have showed. In such places, a single transport co-ordination unit buys transport for education and social services as well as ordinary subsidised services, and can ensure that a single vehicle can be used for many different tasks throughout the day. If health transport could

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be integrated with such joint procurement, even bigger economies of scale would be possible. Similarly, mainstreaming small transport projects within Local Transport Plans could result in LTP funding being reallocated from big road schemes towards a multitude of smaller but collectively more worthwhile projects. Existing allocations for road maintenance can be used to improve conditions for cyclists and pedestrians.

However, given all of this, there is a case for increased revenue funding for transport, especially for bus services, where cost increases and the end of some grant funding are leading to service reductions. A spending assessment covering all transport, or at least local public transport, could provide a framework for such funding. If the Government does not want to interfere with local freedoms and flexibilities in this way, it could at least benchmark service standards to bring transparency to decisions on local transport services.

## **6 Rail spending**

On the railways, we support spending to maintain and enhance the network. However we agree with many commentators, and much of the railway industry, that current maintenance and upgrade costs are far too high. Transport 2000 has published a report setting out the nature of the explosion in these costs and what might be done to bring them down<sup>44</sup>. Evidence from independent railways such as the Wensleydale Railway suggests that even the 30% cost reduction assumed within the Rail Regulator’s access charges review can and should be exceeded.

It will be argued that with so much already being spent on the railways, it will not be possible to spend any more. We see four arguments against this view:

- First, pure like-for-like replacement may turn out to be bad value for money if minor enhancements (such as extra crossovers or signalling) can significantly improve the reliability and resilience of the network. These enhancements will cost significantly less if they are done at the same time as normal renewals
- Second, that funding for rail improvements which levers in other money (from developers, freight users, local councils or the EU) is likely to help grow the railway in a sustainable way, by getting other parties committed to it. Freight Facilities Grants and Rail Passenger Partnership grants are examples of such funding – even a small budget for these is likely to prove very good value for money.
- Third, that local involvement in running or franchising rail services, raised as an option in the Government’s rail review, may result in changes to the local rail services that require capital investment to improve value for money and reduce revenue funding requirements. The obvious example is the conversion of heavy rail lines to light rail, which in Manchester has led to previously heavily subsidised lines running without subsidy.
- Fourth, that some new developments should be served by new or upgraded rail links. The best example of this is the growth areas in the South East and South Midlands, which, without enhanced rail services, are likely to build in car dependency. Projects such as the East-West rail link (Oxford - Milton Keynes - Cambridge) and reopening of the line

to Corby need to be progressed, as well as rapid transit links around Cambridge and Luton.

We therefore believe that extra rail funding, targeted at improving the value for money of existing spending and at creating partnerships with others should be considered, and we propose Rail Passenger Partnership funding (as part of quality standards for rail) and Freight Facilities Grants (for rail freight) in our costings.

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## **Notes**

<sup>1</sup> From research by the IEEP, in Friends of the Earth (2002) 'Paying for Rail'

<sup>2</sup> From increasing the VED bands for more polluting vehicles. See

[http://www.foe.co.uk/resource/press\\_releases/big\\_motor\\_low\\_tax.html](http://www.foe.co.uk/resource/press_releases/big_motor_low_tax.html)

<sup>3</sup> 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.

<sup>iv</sup> Social Exclusion Unit (2003), 'Making the Connections: Final Report on Transport and Social Exclusion'

<sup>5</sup> TfL (2004, unpublished) A business case and evaluation of the impacts of cycling in London

<sup>6</sup> Monatzeder, H. and Franzl, S. (2001) Munich, a bicycle friendly city offering an integrated system of bicycle infrastructure, service and public relations work. Paper to VeloCity 2001 conference

<sup>7</sup> personal communication to Lynn Sloman

<sup>8</sup> TfL (2004, unpublished) *ibid.*

<sup>9</sup> TfL (2004, unpublished) *ibid.*

<sup>10</sup> City of York Council (2000) Local Transport Plan 2001/02 – 2005/06 executive summary

<sup>11</sup> Personal communication, Ken Spence (ERCDDT) to Lynn Sloman

<sup>12</sup> Sloman, L., Cairns, S. and Goodwin, P. (2003) The impact of soft factors on travel demand, summary report to Department for Transport seminar, December 2003

<sup>13</sup> TRL estimate reported in DETR (1997) Road Safety Strategy: current problems and future options.

<sup>14</sup> Scottish Executive(2001) 20mph Speed Reduction Initiative

<sup>15</sup> Grayling T., Hallam, H., Graham, D., Anderson, R. and Glaister, G. (2002) Streets ahead: safe and liveable streets for children. Institute for Public Policy Research

<sup>16</sup> Transport 2000 (2003) Rural Transport Futures

<sup>17</sup> Paper by Peter Headicar presented to Transport 2000 Rural Transport Futures conference, 15 March 2004, based on forthcoming report Planning for a Step-Change : A Passenger Transport Strategy for Rural Areas

<sup>18</sup> ENCAMS (2002), 'Local Environmental Quality Survey of England'

<sup>19</sup> Ramblers Association (2003) 'The economic and social value of walking'. This uses figures from the Countryside Agency's 'Rights of Way Condition Survey 2000'

<sup>20</sup> Transport for London (2003) 'The benefits of town centre pedestrian and public realm schemes'

<sup>21</sup> DEFRA (1999) 'Appraisal of Options on Access to the Open Countryside of England and Wales'

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- <sup>22</sup> Living Streets (2003) 'Thinking zone: streets of fear or streets of fun?'
- <sup>23</sup> The Railway Consultancy Ltd (2002) 'National Railcard Economic Research'.
- <sup>24</sup> The CfIT Report 2001: Public Attitudes to Transport in England)
- <sup>25</sup> Friends of the Earth press release 14/04/04 'Budget 2004 - Brown must go green'
- <sup>26</sup> IPPR (2003) 'Tomorrow's Low Carbon Cars'
- <sup>27</sup> DfT (2004) 'Assessing the Impact of Graduated Vehicle Excise Duty - Qualitative Research'
- <sup>28</sup> National Road Maintenance Condition Survey 1999 DoT 2000
- <sup>29</sup> Design Manual for Roads and Bridges Highways Agency 1994
- <sup>30</sup> PSA target is 'Reduce congestion on the inter-urban trunk road network and in large urban areas in England below 2000 levels by 2010'
- <sup>31</sup> 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'
- <sup>32</sup> 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'
- <sup>33</sup> 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'
- <sup>34</sup> 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'
- <sup>35</sup> 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'
- <sup>36</sup> 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'
- <sup>37</sup> PSA target is 'By 2010 reduce inequalities in health outcomes by 10% as measured by infant mortality and life expectancy at birth'
- <sup>38</sup> 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'
- <sup>39</sup> Department for Transport (2001) 'National Travel Survey 1999 / 2001 Update'
- <sup>40</sup> VED/road fuel split by quintile by looking at car driver mileages. Ratio of VED to road fuel = 1:16. Including funding by savings from cut road schemes (car driver + car passenger) would affect this graph only very slightly – lowest quintile goes up 1%, highest quintile goes down 1%.
- <sup>41</sup> Data from House of Commons Written Answer, 17<sup>th</sup> March 2004
- <sup>42</sup> Department for Transport, Local Government & the Regions (2000) 'Transport 2010 – the Background Analysis'
- <sup>43</sup> Friends of the Earth (2002) 'Paying for Rail'
- <sup>44</sup> Transport 2000 (2004) 'The Rising Cost of Britain's Railways'