

“ROAD TO GROWTH”

TPS RESPONSE TO THE HIGHWAYS ENGLAND CONSULTATION ON THEIR EMERGING ECONOMIC GROWTH PLAN - designed to “maximize the economic contribution of Highways England and the Strategic Road Network (SRN)”

The Transport Planning Society is an independent institutional body based in England, established to facilitate, develop and promote best practice in transport planning and to provide a focus for dialogue between practitioners and others interested in the field. It is supported by four long established professional institutions – ICE, CIHT, CILT and RTPI - all of whom have an interest in transport planning within their own core activities.

The Transport Planning Society administers its own Professional Development Scheme for transport planners, leading to award of the Transport Planning Professional qualification which is the only professional qualification uniquely aimed at transport planners. The Society has almost 1000 professional members in the UK and elsewhere. Many of our members are active in highway planning and management, including extensive experience of working with or within Highways England.

Our response has been drafted by the Policy Group within the Transport Planning Society Board, all of whom were elected by the membership as a whole. The Policy Group is in constant dialogue with other members of the Society and the views expressed here may be taken as representative of those held generally by our membership.

(1) Do you agree with the areas of research we have focused on to better understand the relationship between the SRN and economic growth (pages 6-16)?

The areas of research are acceptable but the conclusions drawn are unconvincing.

Economic growth and the SRN

Commercial Development and the SRN

Socio-economic analysis, future forecasts and the SRN

Assessment of Growth Impacts – Specific Examples from Case studies

In principle, these are logical relationships to examine in terms of attempting to understand the relationship between the SRN and economic growth. However, in practice, while there are many plausible theoretical reasons why the SRN supports economic growth, reliable evidence and examples of the theoretical relationships working in practice are less discernible, and the nature of the links between the SRN and economic growth remain uncertain.

Firstly, most of the theoretical relationships apply to transport in general and identifying the specific contribution of the SRN is difficult. Figures 2, 3, 6 and 7 (*in the Discussion Paper*) explore links between economic growth and the SRN on a spatial

basis but are inconclusive. Primary economic activity occurs in the established conurbations of Greater London, the West Midlands and Greater Manchester. Arguably, the West Midlands and Greater Manchester are well served by the SRN with high quality road links penetrating into the conurbations. But this does not apply to the same extent in Greater London where many businesses and industries rely on slow journeys via the Transport for London Road Network to reach the SRN, and where the labour force is largely catered for by public transport.

If anything, the figures seem to demonstrate a disconnect between the SRN and economic activity. Large parts of the SRN serve areas which barely register in terms of economic activity in the Figures, even though they are well connected to the SRN (and to less congested and well functioning parts of it). Figure 7 shows areas of forecast changes in employment density and, again, some areas served by the SRN show expected increases while others show decreases.

On the other hand, there are no areas of key economic activity remote from the SRN, although it is not clear whether this is because they are remote from the SRN or whether the SRN has been designated to serve all established economic centres.

Figure 3 is perhaps more persuasive. It shows industrial speculative development between 2014 and 2016, and most is close to the SRN. Assuming that all these sites will be road connected rather than rail connected, this does show that developers industrial sites are attracted to the SRN. But not all of it. Interest lies primarily in the London – West Midlands – East Midlands corridor, as well as in the Liverpool – Manchester area, but not elsewhere.

And finally, we note that if the same economic data were to be overlain on a map of the rail network, exactly the same conclusions could be drawn. So, on that somewhat simplistic basis, is it the rail network or the SRN which is supporting economic growth – or both?

We conclude that while the SRN may plausibly support economic growth, there are many other significant factors at play and more work is needed to determine the contribution of the SRN, and to explain why it seems to have little impact on much of the country.

We would suggest that in-depth studies are needed of individual economic sectors, to investigate how they have developed in scale, function and spatial terms over the past 40 years (since the substantial completion of the SRN) with the aim of identifying specific impacts of the network. For example, the logistics industry has probably reacted and been influenced more than any other by the SRN. Instead of focussing on the delay costs to the industry incurred on the SRN, it might be more instructive to look at the savings and efficiencies it has introduced as a result of it.

International Gateways and the SRN

We agree that good accessibility to ports and airports is necessary. Figures 4 and 5 show the total throughputs at major ports and airports, but it would be more useful to know the volumes of goods, passengers and staff reaching each port or airport by use of the SRN (for the major part of the journey) and the volumes arriving by other networks (eg rail, coastal shipping etc.). This would give an indication of the value of the SRN in serving the facilities concerned.

However, use of the SRN for port and airport access also has its downsides in terms of emissions, air quality and climate change. The high concentrations of trip ends involved impact on local air quality (the highest profile example being on the M4 and M25 at Heathrow). At the same time, these high concentrations of trip ends offer the potential for efficient access by other more environmentally friendly modes, most notably rail and bus/coach. While the accessibility offered by the SRN may currently be seen as a benefit to users and the economy, the other consequences of high volume highway access to ports and airports should not be overlooked.

Economic Value of the SRN

Using User Costs as a proxy for the economic value of the SRN is a fallacy. The net benefit of any activity = the benefit gained from undertaking it *less* the costs of doing so. It is correct that, in general, the gain exceeds the costs or the activity would not be undertaken but the higher the costs, the lower the net benefit.

So, the higher the User Costs on the SRN, the less net benefit is being obtained from the activities that users are undertaking. If the User Costs were a proxy for the benefits being gained by users, then the more congested the network, the higher its economic value – and any investment in reducing user costs (ie congestion) would reduce its economic value. That does not make sense.

While identifying the economic value of the SRN might be a sensible part of the methodology, a wholly different approach is needed.

(2) Do you agree with the vision we have articulated on page 4?

Our issue is not so much with the vision itself, but with the way in which it is likely to be delivered.

The strategic road network will play a central role in contributing to UK prosperity by enabling businesses to benefit from safe, reliable and efficient movement of people and goods, connectivity to skills, and access routes to national and global markets.

We agree that for the foreseeable future, the SRN will have an important role to play.

However, this vision needs to be tempered by consideration of the externalities resulting from use of the SRN, most notably in terms of emissions, air quality and climate change. There are binding legal requirements on the government in all these

areas, such as the need to reduce greenhouse gas emissions by 2050 to 80% of their 1990 levels. We are almost halfway to that deadline without significant progress so far. To the extent that traffic levels on the SRN increase, there are implications for the local roads connecting to it, which suffer from congestion (particularly in conurbations where most economic activity is concentrated) and a lack of local authority funding to address the issue.

It follows that if the SRN is provide for the safe, reliable and efficient movement of people and goods etc., and if this is to be achieved by improving the network, then there needs to be some simultaneous means of managing the additional capacity created so that today's disbenefits (environmental, congestion) of the SRN do not recur as a result of traffic growth. If economic growth generates additional trips, then regulation and/or pricing may be needed to manage additional demand. Emissions regulation and pricing targeted at emissions reduction are perhaps the most deliverable approaches.

(3) Do you agree with the strategic economic roles for Highways England that we have articulated on page 17 to 18?

Our issue is not so much with the roles themselves but with the way in which they are to be supported by the SRN.

Enabling international connectivity and trade by providing improved access routes to global markets.

We presume this objective refers primarily to the movement of exports and imports, with access to global markets by airline business passengers being a secondary consideration.

This is a worthy objective but the role of the SRN requires careful consideration, given earlier comments about the environmental impact of the network. Rather than the SRN wearing this mantle wholly on its own shoulders, the issue of freight access to ports needs wider consideration, taking fully into account the potential roles for rail and coastal shipping. Once that has been done, the residual role of the SRN (being the most environmentally damaging per tonne moved) can be identified and planned for.

That is not to say that the SRN will have no future role in accessing ports, but it should not be a primary economic role for Highways England without wider study.

Supporting business productivity and competitiveness by facilitating safe, reliable and efficient journeys, and by meeting the needs of those sectors most reliant on the SRN.

If this requires an increase in SRN capacity, then as previously noted, it should be combined with management of that capacity by regulation or pricing, to ensure that

today's environmental impacts and congestion do not simply recur as a result of traffic growth.

As we have seen historically, improving the SRN without other controlling mechanisms introduces the risk of dispersing urban critical mass (eg businesses from town centres to out-of-town). While the primary aim of such improvements may be to reduce congestion for existing traffic, the wider land-use changes that it can facilitate, usually in an unsustainable fashion, need to be properly managed.

Facilitating the sustainable delivery of new homes and employment spaces, while balancing local and national SRN demand and supply.

The most sustainable delivery of new homes (in particular) and employment spaces is likely to be on brownfield sites within existing built-up areas, and these will seldom be accessible from the SRN. The sustainable delivery of such developments is a laudable objective, but it is less easy to see the role of the SRN in that.

While access to the SRN may be seen as a means of unlocking greenfield sites outside or between conurbation, the very development of such sites is unlikely to be sustainable in transport terms with a high reliance on motorised access, given their locations.

Reference is made to balancing local and SRN demand and supply. We presume this is a reference to traffic demand and highway capacity. We agree that a balance is desirable but the means of achieving that will require investment in non-motorised or shared modes and/or, as previously noted, regulation or pricing.

Overall, pursuing this economic role without consideration of the mitigating measures recommended will have undesirable outcomes.

Providing nationwide employment, skills and business development opportunities within our supply chain and sector.

We support this economic objective, subject to the scale of work meeting our other points.

(4) Do you agree with our categorisation and definition of Economic Opportunity Areas, on page 19 to 22?

The approach adopted is a good starting point but has two weaknesses.

Firstly, the potential role of other modes in providing access to the identified EOA's does not seem to be taken into account. For example, International Gateways are all categorized as being fundamentally dependent on the SRN whereas Heathrow, for example, is also heavily dependent on rail access. Major Tourist Destinations are shown as being reliant on the SRN whereas those within major conurbations are also often widely accessible by other modes.

Secondly, where an EOA is to be supported by the SRN, the approach does not necessarily indicate where investment in Highways England's network should be focused. Particularly in terms of freight, the identified EOA's are likely to generate long-distance trips and these will impact widely on the SRN. The aggregate effect of supporting a number of EOA's should be looked at. It may be that the greatest problems in terms of network operation will occur remotely from the EOA's themselves, where a shortage of spare capacity combines with a significant aggregated number of EOA-related trips. We recommend that a network wide approach is adopted.

All of that is subject to our previous caveat that any additional network capacity provided to support EOA's must be properly managed to avoid adverse network impacts from simply reoccurring.

(5) Do you agree the two-perspective approach to prioritising economic growth locations around the strategic road network, as set out on page 23?

*The **dependency** of an economic asset or location on the SRN for its economic performance.*

*The **economic significance** of individual parts of the SRN, testing the principles developed through the Economic value of the strategic road network part of the evidence base*

Figure 9 illustrates the approach but it is not clear how the two principles are used in combination to influence final investment decisions. It appears that there needs to be a further stage in the flowchart drawing together the outcomes of applying the two principles.

That said, we have already criticised the concept of the Economic Value of the SRN used in this work (see our response to Point 1) so we feel that this approach to prioritizing economic growth locations is fundamentally flawed. In addition, we recommend that a network wide approach be taken to prioritizing investment, as noted in our response to Point 4.

In principle, the approach of relating the economic importance and reliance on the SRN of economic locations to the characteristics of the network is sound, but the approach set out on page 23 falls short of achieving this.

(6) Do you agree with our emerging approach on page 24?

We reiterate our principle concerns about the approach being adopted :

- (a) While there is a coincidence between locations of key economic activity and parts of the SRN, the contribution of the SRN is not yet clear. Many other (probably more significant) factors are at play and many parts of

the SRN do not appear to be contributing to key economic activity. More research by economic sector is needed.

- (b) More consideration needs to be given to the roles of other modes in providing access to the EOA's identified. Enhanced use of non-motorised or shared modes should have less environmental impact than use of the SRN (particularly in terms of emissions, air quality and climate change) and could help to reduce demand and congestion on the SRN itself.

The extent to which it is feasible to make enhanced use of non-motorised or shared modes to improve access to EOA's should be evaluated so that the remaining role of the SRN for this purpose can be identified.

- (c) Adopting User Costs as a proxy for the economic value of the network is a fallacy and they should not be used in this way as a basis for prioritizing investment.
- (d) A network wide approach is needed so that the cumulative effects of supporting a selection of EOA's, particularly in terms of freight movement, can be identified across the whole network.
- (e) If further investment in the SRN results in enhanced capacity, then that capacity needs to be managed by regulation and/or pricing to prevent existing problems recurring. Emissions regulation and pricing targeted at emissions reduction are perhaps the most deliverable approaches. Proposals for doing so should be an inherent part of the Economic Growth Plan.

(7) Do you have any further suggestions as to how we can work differently to better enable economic growth?

No – but taking into account the points raised in our response to Point 6 would facilitate a different approach and one taking into account wider considerations.