

Flexible Funding for Greener Local Travel

Our proposals in summary

Labour are funding local congestion charging schemes through what is, in effect, a £200 million a year National Congestion Charging Budget within the so-called 'Transport Innovation Fund'. Local authorities can't get hold of this money unless they introduce congestion charging.

We will continue to honour commitments to local authorities from this Fund that we inherit from an outgoing government. But, as those commitments come to an end, we will free local authorities to use the £200 million a year for bus and cycle schemes and other measures that provide attractive alternatives to the car. We will no longer insist that local authorities introduce congestion charging as a precondition for receiving the money.

Background: more cars, more congestion, less green travel

While Labour has been in government, Britain's roads have become steadily clogged with more cars. Since 1996, the number of cars on our roads has increased by a quarter to 33 million vehicles¹ and we now rely on cars for almost 90 per cent of our land journeys; amongst the highest level of car dependency in the European Union.

The car's flexibility and popular appeal make it an enormously important part of people's lives, but rising car use is creating a vicious circle of disincentive for alternative, more environmentally friendly transport options. Bus services are slower and more unreliable on congested roads, and cycle use and walking are more dangerous. Since 1997, walking as a means of travel has fallen by 20 per cent and cycling by 15 per cent.² Bus usage also declined sharply with the spread of car ownership in the post-war era. Deregulation of the bus industry in the 1980s arrested the rate of this decline, but we still have one of the lowest levels of bus use in Europe.

As a result, we now have some of the worst road congestion in Europe.³ The Department of Transport reports that nearly a quarter of people experience congestion 'most or all of the time' during their road journeys.⁴ The most recent British Attitudes Survey found that half of respondents think that congestion in

¹ DfT (2007) *Vehicle Licensing Statistics 2006*, p.4, Table 1.1.

² DfT (2007) *Transport Trends 2007*, p.103, Table 8.1: 'Walk and cycle stages per person per year for travel purposes 1996-2005'.

³ Each year more than 1.6 million passenger kilometres are travelled on each kilometre of Britain's road network: more than twice the European average (Policy Exchange (2008) *Towards better transport: Funding new infrastructure with future road pricing revenue*).

⁴ DfT (2006) *Experiences of congestion and attitudes to road pricing*.

towns and cities is a serious or very serious problem⁵ and the Government's own research shows that 77 per cent of people think that the level of congestion has increased in the last two years while 84 per cent think it is going to get worse.⁶

Growing car use and more congestion doesn't just slow people down, there are also serious social, economic and environmental consequences:

- The economic impact of sluggish journeys and crowded streets is enormous – a recent study estimated that eliminating existing traffic congestion could free up £7-8 billion a year, while doing nothing could cost us £22 billion in wasted time by 2025.⁷
- More people in cars means more carbon emissions – road transport currently accounts for a quarter of the UK's carbon emissions, and this figure is set to grow both in absolute terms and relative to other parts of the economy.⁸
- The substitution of motorised journeys for walking and cycling has had major health consequences with a significant decline in individual physical activity levels playing a major part in the well-documented rise in national obesity levels.⁹

Local problems need local solutions

The challenge for government is to recognise the appeal and flexibility of using cars while encouraging investment in alternative forms of transport. However, across the UK, local traffic patterns, congestion and alternative travel options vary from place to place. Cars on a local school run can clog the streets of a neighbourhood and poor location of pedestrian crossings can stunt a walking bus initiative. Local authorities are much better placed than central government to understand the travel challenges in their area and design new travel initiatives to deal with these challenges.

Some of the best examples of local councils implementing innovative ideas to stimulate non-car travel include:

- St. Edmundsbury, Suffolk, where the number of cycling trips to work has increased by 50 per cent since 2001 – the borough council, county council and local private sector developers worked with Sustrans, the national cycling body, to create new safe cycling routes on existing streets and in new developments that were then linked to the broader national cycle network; and

⁵ National Centre for Social Research (2005) *British Social Attitudes Survey*.

⁶ DfT (2007) *Public Attitudes to Congestion and Road Pricing*.

⁷ HM Treasury (2006) *The Eddington Transport Study: The Case for Action*.

⁸ House of Commons Environmental Audit Committee (Ninth Report of Session 2005-06) *Reducing Carbon Emissions from Transport*.

⁹ EU Green Paper on Urban Transport, Submission from Sustrans; DIUS (2007) *Tackling Obesity: Future Choices*.

- Telford and Wrekin, where the borough council has increased bus usage by 20 per cent since 2000 by redesigning bus routes, and introducing measures to give buses traffic priority and to make them more accessible. Here, local knowledge was key. For example, before the improvements bus operators refused to run services to the local railway station, citing access and road safety concerns. The borough council created a bus-only road to the station and a bus-only lane travelling in the opposite direction to traffic coming back into the town centre, and changed the design of bus stops. As a result, the journey time between station and town centre was cut in half.

The gains from increased investment in schemes to promote alternative forms of transport can be very substantial. Sustrans believe that 47 per cent of car trips in representative UK cities could be replaced by walking, cycling or public transport without major intervention.¹⁰

Labour's view: local traffic problems need one solution

The Government's attempts to tackle the problems of growing car use, declining alternative modes of travel and runaway congestion is, as with so many Labour policies, centralist and bureaucratic.

Funding for local projects is in short supply and tied to nationally-specified plans. The Government is committed to spending over £9 billion on transport solutions from 2008-2014 from the Transport Innovation Fund but only 15 per cent of the fund, or £200 million each year, has been ring-fenced for local authority schemes. Moreover, Department for Transport guidance, and local authority experience, is that this money is available only for congestion charging schemes¹¹ and that other forms of local transport innovation are unlikely to be funded¹².

This is not a rational way to structure the local authority element of the Transport Innovation Fund.

In the first place, the Government should not be using public funds to pressurise local authorities to introduce congestion charging. It should be up to local authorities to decide how best to structure their bid to government for support for

¹⁰ Sustrans Travel Behaviour Research Baseline Survey (2004) *Sustainable Travel Demonstration Towns*.

¹¹ DfT guidance on the Transport Innovation Fund states that this money is 'most likely to fund packages involving road pricing' (DfT (2006) *Transport Innovation Fund Guidance*). Last year, former Transport Secretary, Douglas Alexander, reiterated the Government's priority for the Fund: 'We will be particularly looking to fund schemes that can pilot approaches to road pricing' (*Hansard*, 8 February 2007, Col. 48).

¹² 'We fully agree that there is an important role to be played by softer measures in tackling congestion but in some cases these will not be enough...Road pricing offers the greatest potential to lock benefits in over the long-term. That's why we have been clear that proposals must include an element of hard demand management, and that we are most likely to fund packages involving road pricing' (House of Commons Transport Select Committee (2007) *Government response to the Committee's Ninth Report of Session 2006-07*, p.16).

measures to tackle congestion, according to what will work best in their local areas.

Second, congestion charging without the provision of attractive alternatives to the car will, at best, raise people's cost of living and, at worst, harm the local economy. Where people have no attractive alternative, they will tend either to pay the congestion charge (hence raising their cost of living without diminishing congestion) or to avoid the city-centre (reducing congestion but also the number of shoppers coming to the local area).

The Conservative solution: new funding for local green travel

In contrast to the Government's belief in a bureaucratic, top-down use of funds to force congestion-charging on local communities, we believe that, in a post-bureaucratic age, greener travel solutions will come from dispersed knowledge and local power rather than by rigid application of a centralised, 'one-size-fits-all' travel policy.

Local people should be given the power to solve their own local travel problems. Real transport innovation means action to make alternatives to the car attractive. And this means local authorities, in partnership with the people living locally, thinking in an unrestricted way about how best to provide coherent travel solutions at a local level. Such local cooperation is far more likely than central government to identify ways forward that take into account the different requirements for improved traffic light schemes, safer cycling, more reliable bus services, local tram services, more flexible taxi services or other innovative travel ideas that are relevant in different places.

We therefore propose to free local authorities from the constraints that the present Government has placed on the £200 million of funds ring-fenced for local schemes within the Transport Innovation Fund. Instead of forcing local authorities to treat this money as, in effect, a National Congestion Charging Budget, we will set local people free to use this money for the new green personal travel initiatives that suit their communities, without imposing prior specifications on the schemes that will gain funding.

We would continue to honour Transport Innovation Fund commitments to local authorities that we inherit from an outgoing government. But as these reach their end we would see more of the available funds freed up for local communities to use on the initiatives that suit them best.

In due course we will publish a paper laying our detailed proposals for structuring the bids for these funds so that they are non-bureaucratic and give maximum flexibility to local councils. Over the next few months we will also continue our consultations and will be bringing forward radical ideas about how we can encourage viable alternatives to car travel.