



Transport Committee

Oral evidence: Better roads, HC 850 Monday 16 December 2013

Ordered by the House of Commons to be published on 16 December 2013.

[EEF](#)

[Dr David Metz, Centre for Transport Studies, UCL](#)

[Freight Transport Association](#)

[Oxfordshire County Council](#)

[West Midlands Strategic Transport Officer Group](#)

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Members present Mrs Louise Ellman (Chair), Jim Dobbin, Jim Fitzpatrick, Jason McCartney, Mr Adrian Sanders, Chloe Smith and Graham Stringer

Questions 67-132

Examination of Witnesses

Witnesses: **Stephen Radley**, Director of Policy, EEF, **Dr David Metz**, Centre for Transport Studies, University College London, and **Karen Dee**, Director of Policy, Freight Transport Association, gave evidence.

Q67 Chair: Good afternoon, and welcome to the Transport Select Committee. Mr Radley, perhaps you could start by telling us what problems are currently faced by businesses using the strategic road network.

Stephen Radley: Shall I introduce our organisation?

Chair: Yes, please.

Stephen Radley: The EEF is the largest organisation in Britain representing manufacturers. We have 6,000 or so companies in membership; it is a mixture of companies—a variety of sizes and sectors. The issue for manufacturers will always be about getting goods and supplies quickly to market, or into their plants, as quickly as possible. There are also issues, particularly in an industry that is facing significant skills shortages, of having an effective road transport system that allows companies to access skilled workers from as wide an area as possible.

The industry faces some challenges which I think have been there for some time, but the market has changed to some extent. One of the very positive trends we have seen in manufacturing in the last few years is towards re-shoring—companies that have taken activities abroad are now bringing them back to Britain. The other side of the coin is that one of the advantages of being in Britain is speed to market—the ability to turn things round quickly and react quickly to changes in customers' orders and get the products to them. In order for that to work, we need an efficiently functioning road system.

The issues we particularly highlighted in our survey are to do with congestion, the quality of the road network, where there is a large backlog in the maintenance programme, and some areas where we think connectivity should be improved. I am happy to provide specific examples of all of those, which are contained in our submission, but those are the three key challenges.

Q68 Chair: Have you noticed any deterioration in the roads in recent times, for example, in relation to repairs?

Stephen Radley: We were not able to track this, because it was the first time we had asked questions about these problems, but in terms of the impacts, about six in 10 companies currently find that the road network has a negative impact in terms of staff recruitment and retention, and also on potential new investment. It is hard to say whether that has got better or worse, but, because of the backlog of road maintenance, we have seen that there are issues about deterioration in the quality of the road network, which I think is something that has been backed up by a number of published studies.

Q69 Chair: In the Command Paper, the Department for Transport notes that the World Economic Forum say that the UK's roads rank 24th in a list of 30 countries. Does that sound right to you?

Stephen Radley: It is very hard to say. We have not done an extensive survey of the quality of the road network in other countries, but why these rankings and the direction in which you are going matter is that at the moment we are at the stage of the economic cycle where a lot more companies are considering whether or not to invest. The quality of the road network is not going to be the sole factor that will determine whether or not companies invest, or whether they do it in the UK or abroad, but, if there are signs that quality is deteriorating and companies are not convinced there is a long-term strategy to put it right, it will have a negative impact on investment and it will be the wrong signal. That is why we are very pleased with what we have seen in the new strategy. Even if the delivery is not there now, companies can see a plan and what is going to happen over the foreseeable future.

Q70 Chair: Ms Dee, do you have any comments? First, could you tell us who you are and who you are representing here?

Karen Dee: I am from the Freight Transport Association, and we represent 14,000 members across road, rail, aviation and sea—all modes of freight transport. We represent not just those who operate freight but those who buy freight as well—the consigners.

I would add my support. International comparisons can be slightly misleading. We have not done our own surveys, but they are important for businesses when they are choosing where to locate and expand. We need that connectivity between all the networks, not just roads, but roads are a key part.

In terms of the problems, reliability and congestion are the biggest issues for our members. Official figures seem to suggest that those have been declining a little in recent years, but our thoughts are that members are very concerned about what will happen once the economy begins to pick up properly. We think the road system has been given a bit of a break because of what has been going on in the economy. We have not seen quite the demand you might have expected in previous years, but, once the economy picks up again, members are quite concerned about what it will mean for their businesses and delivering a service.

Q71 Chair: What are the problems with the Highways Agency as now constituted?

Dr Metz, is that anything you would like to comment on? Perhaps you would like to tell us the organisation you represent.

Dr Metz: I am a visiting professor at the Centre for Transport Studies at University College London. Previously, I have been chief scientist at the Department for Transport. I am an independent researcher, and I receive no fees for the work I do.

The problem with the Highways Agency is cultural. They are un-innovative. That struck me when I became chief scientist at the Department. My role there was to oversee the research programmes, the budgets for which were held by the different divisions and agencies. I would do the rounds and talk to them to see what their plans were for the future, and how research could help them achieve those plans. I was struck by the caution of the professionals in the Highways Agency. It was understandable, because they were quite exposed; if they innovated a new kind of concrete or tarmac and something went wrong, they would be in the headlines. They are very cautious and stick to the things they know, which are civil engineering technologies—pouring concrete and rolling tarmac. They are not up to speed in the digital technologies, which is where I think the big bonuses will be: information for users as to how to use the network to cope with congestion, and to improve reliability, not by adding capacity, which always fills up with new traffic, but by providing high-quality information of the kind users can use. We want a Highways Agency that refocuses away from civil engineering and more on the digital technologies, and is active in promulgating the outcomes.

Q72 Chair: If the Highways Agency became a Government-owned company, which is the current proposition, there would still be local authority-owned roads. Would that be any bigger problem than it is now?

Dr Metz: I will not comment on the details of organisations, which is not my area of expertise. It is important to see the big picture and ask what you want the Highways Agency to do, in whatever form it takes. What are the problems in the system, and how should one organise the Highways Agency to tackle those?

Q73 Jim Fitzpatrick: How does the Highways Agency break out of its cultural straitjacket?

Dr Metz: That is a difficult problem. They need a clear remit from the Department. It is a problem because the Department does not have a clear view, as far as I know, on the utility of information, as opposed to spending money on classic civil engineering. They probably need an infusion of talent. In particular, they need a clear remit to work with private sector companies that specialise in information technology and telecommunications—the people who operate the sat-nav devices that provide traffic information. I think the way to go is collaboration between the Highways Agency, which has oversight of the network and can gather the information, and the private sector organisations that specialise in dissemination and meeting the needs of road users.

Q74 Jim Fitzpatrick: Mr Radley or Ms Dee, do you have a view? Do you share Dr Metz's concerns about the performance of the Highways Agency? Do you have any ideas as to how to help break out?

Karen Dee: I would agree with most of what Dr Metz has said. The Highways Agency is constrained a little by its current format. For our members, the bigger gain in the Government

proposals is about the other elements of the reform; it is about what you do to the Highways Agency, but it is also about getting a clear roads investment strategy from the Government, and also the certainty of funding that goes with that. You could say that the Highways Agency does a good job against the odds, because it is not always given the clear steer that I think it needs.

Stephen Radley: Karen has made very much the point I was going to make. Clearly, David knows the agency in much more detail than I do, but the wider point Karen is making is that the current stop-start nature of funding and investment has constrained the Highways Agency. If you are continually having to look just 12 months ahead, and you have uncertainty about the budget and what the projects are going to be, it naturally constrains innovation and forces organisations to be conservative. This much longer-term look at what our needs are and how they can be funded should free up the Highways Agency to be much more innovative and outward-looking. I am sure there are also issues in terms of bringing in new talent, training and things like that, but the fundamental issue has now got a good chance of being cracked.

For us, it is the wider impact of some of the changes that are being made. If we can have this much longer look at what is going to be built and what is the overall strategy for the next five or 10 years, it gives business a lot more confidence that the road network is going to meet its needs; it gives potential suppliers in the supply chain a much better chance of gearing up to win those orders; and it also gives everyone a much better chance of the money being used much more effectively, avoiding the significant cost-inflation we have seen over the last decade or so.

Q75 Miss Smith: Thank you very much for joining us today. I have three questions. The first is still on the theme of what to do with the Highways Agency. I very much buy the arguments you make about the benefits of a pipeline specifically, and the way that allows for future planning throughout a supply chain. In your view, is a Government-owned company, a GoCo, specifically needed, as well as the notion of having a five-year plan?

Karen Dee: Our view is that it is part and parcel. It would bring additional benefits, allowing greater freedom of recruitment and staff retention, and freeing them a little bit from the public sector constraints they would have, so it is an important element.

Stephen Radley: I very much agree with that argument. Even if they are not exactly the same modes, we can see parallels in other parts of Government—for example, the way the Technology Strategy Board has been put in an arm's length position from Government has freed it up to be much more innovative in the way it works with the private sector, bringing in talent, sometimes on a temporary basis, and generally being a lot more outward-looking and dynamic. Long-term certainty and putting the agency on a different footing are essential—the two complement each other.

Dr Metz: I will not offer a comment on that.

Q76 Miss Smith: My second question goes on from that point to the theme of accountability. As well as having the ability to plan ahead, take on talent and be flexible, I am interested in this set-up remaining extremely accountable. I say that as a Member of Parliament from Norfolk who, with others, has been campaigning for given road projects. It is very important to be able to do that kind of thing. How would those of you who come particularly from a business perspective envisage being able to put your needs, requirements, lobbying and ideas into such a set-up as we might see before us?

Karen Dee: One of the things the FTA is concerned about is that decisions about the function of the strategic road network should remain with Government. Our view is that that element should not change. Government should be responsible for determining the role, what the overall policy for the strategic road network ought to be and, broadly speaking, what kind of size and service it ought to offer. It is then up to the GoCo, or whatever you want to call it—the Highways Agency company—to deliver that. Therefore, all representations would remain, as they currently are, to Government,

and we hope that would remain. We would have concerns that it should be for Government to determine what that role should be. It is too important a decision to be left elsewhere.

Stephen Radley: I very much agree with that argument. The only thing I would add is the other issue, which is subject to consultation at the moment, of what sort of accountability body you set up, or whether you build on existing ones. One of the streams of thinking is that it could be built on Passenger Focus. You can understand where people are coming from. There is a reluctance to create additional Government bodies—more quangos. We have some concerns about this, because we think that the needs of the great variety of different road users, whether it is car, freight, light goods, heavy goods, cyclists or emergency vehicles, are all quite different. They are different from, say, the needs of rail users, which are all reasonably common.

Our starting point is that Passenger Focus might not be up to the job, and we may well need to look at another organisation. Some of the thinking, which is to reorganise Passenger Focus anyway, might be fairly close to creating another organisation, but that is something we are finalising our thoughts on at the moment, for the consultation that is due to finish.

Karen Dee: Our members are highly sceptical about whether Passenger Focus or the ORR is the right model for overseeing roads. They do not have any existing experience in road users' needs. Given the cost of upskilling or getting new staff, we are sceptical that there will be any kind of cost saving, or that there is any benefit in using existing bodies, because it is such a different role. As my colleague has just highlighted, we have a particular concern, in that the needs of freight users are not necessarily the same as those of other motorists, so it is important that those balances are taken in a very transparent way.

Q77 Miss Smith: To extend accountability in another direction, my third question is about who pays and your views on tolling.

Karen Dee: Tolling is quite an interesting one, and certainly our members are up for the conversation. I am always reluctant to go back to the Eddington review, but when he did his report he said that we need investment and demand management. At the moment, we do not have demand management. We are beginning to see investment, but what that leaves us with is not ideal.

I think our members are willing to consider tolling. They are business users, and ultimately they will make a business decision as to whether or not it is worth paying for, but they are open-minded. The issue has been slightly clouded in previous years by other areas of taxation that are already taken. That makes it more difficult for motorists generally, but it is certainly a conversation that we think ought to be had. Either we have to manage demand or we have to create a roads network that effectively meets demand in some way. If that means a different way of paying for it, it is time for a proper debate about it.

Dr Metz: Tolling is one possible solution to the problem of congestion on the strategic road network. Congestion on this network occurs mainly, not entirely, adjacent to large urban areas, where you get a mixture of local traffic and long-distance traffic. Remote from urban areas, the long-distance traffic flows fairly freely. One approach to dealing with localised congestion is tolling; the M6 toll in the midlands is an example of this, where for a modest fee—£5 or so for a car—long-distance traffic can proceed unimpeded, while the main M6 is for local trips.

The Government considered this approach for the A14 proposal north of Cambridge but withdrew the idea of tolling, following local opposition. The risk then is that, because Cambridge is an economically dynamic area with a growing population, the new road will fill up with local traffic, particularly at peak times, so that the long-distance traffic from the east coast ports to the midlands and beyond may not be better off. Tolling can have a role, although only when you can put in place a new road, because politically you cannot very easily start tolling an existing road.

Stephen Radley: Our members would certainly be of the view that this should be looked at seriously. In the survey we conducted, just under half—44% of them—said they would support it if

it led to a significant improvement in the road network. Support drops to less than 30% if it was just used to build new roads, so there is certainly a view among manufacturers that it should also be used to make improvements to existing roads. Only a quarter of companies were opposed to it altogether.

The concern we have is that we need to start work now to look at the feasibility of this and all the issues it raises in terms of who would be the winners and losers from that approach, how you would treat peak and off-peak potentially differently, and how you treat freight compared with other users. There are a lot of complex issues. Our concern is that we will be facing this financing gap pretty soon. All the projections show that revenue from vehicle excise duty and fuel duty will be falling. We need to look very seriously at how we can fund the road network. Tolling and road-user charging may be only part of the solution; quite a lot may come from getting more private finance and investment in the network, but the detailed work and the debate about whether this is the way forward should be starting now.

Q78 Jim Dobbin: Can we look at smart motorways and the effect they may have on reducing congestion? What are the disadvantages and advantages?

Dr Metz: My sense is that what used to be called managed motorways and are now called smart motorways, which involve using the hard shoulder for traffic plus control of speed, is a very expensive kind of innovation with quite modest benefits. To make a more general point, we need much better analysis than we have of the potential economic benefits of expenditure on the roads system. The Government's White Paper "Action on Roads" has no analysis in it. I contrast this with the position on High Speed 2, where there has been extensive analysis that has been contested and debated. The debate continues, but we know the kinds of benefits that the Government expect from High Speed 2, and their estimates of the magnitude. For the road system, where comparable expenditure is planned over the next generation, there is absolutely nothing stated as to what benefit you would get, whether from investment in more smarter motorways, de-bottlenecking or anything else. There is an urgent need to do proper economic analysis, identify the benefits and make sure we are getting value for money from this very large expenditure.

Q79 Jim Dobbin: Are you saying that the evidence so far is that it is very costly and does not benefit safety or congestion?

Dr Metz: It is certainly costly, mainly because of the civil engineering works. As I mentioned, I am quite enthusiastic about disseminating information about the way the network is performing, because we all have the receptors for the information: our computers at home, our mobile phones and the sat-nav devices in our cars. We need good predictive information about journey times. There are two kinds of road users. There are those who have to be at a destination at a particular time: they are delivering freight to a schedule, or they are going to work or to a meeting. They can use predictive journey time information to know when to set out. The other group are those who are more flexible: they are going shopping; they are visiting family and friends; or they are on a leisure trip. They can use predictive journey time information to avoid the peak. That is win-win, because, when more people avoid the peak, those in the peak have less congestion.

My view is that the most cost-effective kinds of investment are going to be to do with information through the digital technologies, as opposed to the quite expensive civil engineering technologies. The analysis has not really been done to justify this distinction, so what I am offering you is a judgment. But we need the analysis. The Highways Agency and the Department should do such analysis, to understand better what we are going to get from the very large investment planned.

Karen Dee: We have not done analysis of that, but the feedback we receive from members is that they were naturally concerned at the start of this programme about what would be the impact of taking out the hard shoulder. Most of them feel that on the ones they have seen there is a benefit; they perceive that it has helped, and the concerns they had about how it might operate have not

really come to fruition. As long as the safety case can be maintained, they support the use of managed motorways.

Stephen Radley: I have not a lot to add to a very full answer. The one point where I would very much agree with what David said is that the use of technology to be able to predict times and delays is incredibly useful. For a lot of manufacturers, delays are always irritating. At the extreme, they can stop a whole production line if it is a crucial component, but at least having the information to know if there are going to be potential delays, and to be able to prepare for them and find contingency solutions, is incredibly useful.

Q80 Graham Stringer: Dr Metz, I am surprised by what you say about intelligent motorways. I would have thought the M42 scheme was a great success at relatively low cost. There is 25% more capacity on the motorway and you have clearer information, without having to build a new motorway.

Dr Metz: My general take is that, when you expand the capacity of a motorway near an urban area, local people take advantage of it for trips to work, trips to the shops and all the other things. If you widen the motorway, traffic speeds up. This creates more opportunities and choices, so when people move house or move jobs they have greater choice of where they live or work, in the time available that they have to travel. The expansion of local traffic then fills up the motorway, so the position for long-distance traffic is not much changed. You have done some good, but it is a local good. The problem I have is that the Highways Agency is responsible for the strategic road network, the concept of which is to facilitate long-distance travel.

Q81 Graham Stringer: You are saying that, because people use the roads, that is a bad thing. When studies were done about 10 years ago, from memory, 90-odd per cent. of the traffic round Birmingham was going to places near Birmingham, because workplaces are now no longer in the centres of cities; they are distributed round motorways. You are saying we should not extend capacity for 90-odd per cent. of the people in Birmingham. I find that a very odd reply.

Dr Metz: When the Highways Agency thinks about what it does and looks at the forecasts the Department prepares, it does not distinguish, as far as I can see, between local and long distance. The roads you speak of—motorways in urban areas—have two functions. One is as part of the strategic road network for long-distance traffic, but they are also part of the local distribution network, to help people get to work. There is a dual function. But we need to do an analysis that asks what our priorities are. There may be a case in particular areas for expanding the local distribution network to make land accessible for development, but there is also a case for protecting the strategic road network to some extent against local traffic so that long-distance traffic can benefit. The analysis we do, in particular the economic analysis that the Department carries out, fails to make this distinction. My main plea is: let's do the right analysis and then make decisions in the light of both local needs and the needs of the national network.

Q82 Graham Stringer: I suppose I am saying that that time has gone. The out-of-town shopping centres, industrial estates and office blocks next to the M6 toll road are there. You need a road system to get there, and the M42 expansion using the hard shoulder has been very successful in dealing with that.

Dr Metz: The question is, given the network we have, which is a mature one, what do we spend at the margin to increase capacity, and where do we spend it? At the moment, there is a move going on towards recovery of economic activity in urban centres. There was a period when the out-of-town shopping centre, the out-of-town business park and edge-of-city activity was the dominant economic theme, but now it is the revival of urban centres, where you cannot expand the road system without damaging the economy and social life, so the investment is focused much more on public transport. This is very clear in London where traffic has not changed in the last 20 years and we are not planning to build more road capacity, but the population has grown, so the share of car

trips in London, which was at its maximum—50% in about 1990—is now down to 38%, and it will go down to about 30% when London reaches 10 million, as is now expected. There is a huge shift away from car in London, but different things are happening in different places. We need to do analysis which looks at localities, geography and spatial distribution as well as the economics. Who benefits? What classes of people?

Q83 Chair: You say that is not done now.

Dr Metz: You will find nothing in the Government's White Paper on this, and the standard Department for Transport economic appraisal methodology and forecasting do not distinguish between local and long distance.

Q84 Graham Stringer: In previous inquiries, we had submissions from the CBI and British Chambers of Commerce complaining that this country has the lowest motorway density in what used to be western Europe, and they say that puts us at a competitive disadvantage. You seem to be saying that we should stick with what we have; rather than building a motorway east out to Hull, or widening the M6, we should stick with that. By and large, congestion over the last 25 years has been inter-urban congestion—on the M6 or the M1. That has been a feature in this country in a way that it has not in most of the rest of western Europe. Do you not think we should build for that capacity so that we can have a free flow of traffic?

Dr Metz: International comparisons are complicated by different population densities. What interests me is the way efficient road freight operators can offer their clients just-in-time delivery, because they understand the network and congestion and they manage their fleet.

Q85 Chair: Mr Stringer is asking you whether you think we should be building more roads. Are you against it? Do you think it is a bad thing?

Dr Metz: I am not taking a position for or against. We need to understand what benefit we are going to get from the very substantial expenditure that is planned. I am sceptical about the benefits, based on my own analysis—I am not representing any particular body. Unless we look at the marginal benefits from investing at the margin in a mature road network, we will not know whether we are getting good value for money.

Q86 Jason McCartney: This session is about better roads, and it is quite difficult to quantify what we mean by better roads. Mr Stringer just brought up some CBI statistics, and the World Economic Forum figures show that we are ranked 24th in the world. You talked about comparisons. The countries that have a higher rating than us include Saudi Arabia, Oman and United Arab Emirates. It is very difficult—isn't it?—to compare and contrast the quality of our road network with that of other countries.

Dr Metz: Yes, and I am not sure it is very useful. The question is what we will get by investing. How much will we improve it? Regardless of international comparisons, if there is scope for major improvement, fine, but the analysis has to be done.

Q87 Jason McCartney: We have been doing an inquiry into high-speed rail as well. One of the arguments used for it—today I travelled down on the east main line—was that it would free up one of the lines for more freight on rail. Ms Dee, how much is the Freight Association aware of that argument, and what are your thoughts on it?

Karen Dee: We are certainly aware of the argument, but we have not yet got underneath the business case to see exactly how that freight capacity will be freed up. I cannot give you the answer, because we think more work needs to be done on exactly how that will happen. Even if it does, our view is that it will help, but it will not necessarily negate the need to continue to invest in the road system.

Q88 Jason McCartney: We were talking about managed motorways. In west Yorkshire, we call it the managed motorway scheme—you can call them intelligent or smart

motorways. We have just had the M62 stretch done between Huddersfield, where I live, down to Leeds. The lanes seem narrower and, obviously, there are now four lanes instead of three. In terms of the business side of things and freight, how do your members feel about having more lanes? I have certainly noticed more lane swapping. It is about how intelligent drivers are now in managing their driving on the different types of roads; they need different skills.

Karen Dee: There are some issues with managed motorways if you do not have clear lanes. On some sections of managed motorways, what was the hard shoulder disappears when there is a junction—it does not run through the junction—so vehicles have to change lanes if they are not exiting the motorway.

There are issues. Our members did have some concerns before they experienced these roads. I do not think we have seen a major safety concern from their operations, but smart motorways or managed motorways—whatever you want to call them—should be part of the mix. Our view is that that will not solve the problem altogether, and we see the need for enhanced capacity.

Q89 Jason McCartney: Mr Radley, for your members, how high up the pecking order is this issue, or is it way behind lots of other issues?

Stephen Radley: The quality of the road infrastructure generally?

Jason McCartney: Yes.

Stephen Radley: In terms of factors that impact on investment, it is fourth on the list, so it is certainly very important. It is very useful to have comparisons of how well we compare with other countries, in terms of the quality of our network and concentrating minds that something needs to be done. From the point of view of our members—40% of which are foreign-owned, so there is a constant battle to justify investing in the UK rather than elsewhere—the issue is not going to be what position we are in on the rankings and whether we are likely to go up or down, but whether any serious work is being done about our future needs. Is there a proper plan to address that, and is it going to get delivered? Although “Action for Roads” is not perfect—some of the criticisms David made about the lack of analytical thinking are probably fair—it feels as though it is a good first start, and in 2017 we have the opportunity to refresh it. One of the other key things, which is a real movement forward, is that it is being refreshed at the same time as the rail strategy; there is then a much better prospect of getting the two joined up together.

Q90 Jim Fitzpatrick: Dr Metz, you said there has been considerable economic analysis for HS2 but not for the strategic road network. I suspect the tools would be similar. Is that just because of the cultural blind spots you mentioned earlier?

Dr Metz: The Committee has seen the way the analysis of High Speed 2 went. It focused on travel-time saving and then it was realised that that was far from being the whole picture. For roads, the focus is still very much on travel-time saving and not the bigger picture beyond that, so some learning needs to be undertaken. The need is to be explicit about the analysis of the different kinds of investment you might make in the strategic road network and what kinds of benefits you will get from it.

Q91 Jim Fitzpatrick: I would like to explore—but I am sure the Chair won’t let me—your comments about no appetite for new roads in London. In my view, East London river crossings are absolutely essential, and I am sure colleagues have a view on that.

The question I want to ask is related to your comment that the essential purpose of the strategic road network is for long-distance travel. You almost said that local drivers are getting in the way and preventing it from operating as efficiently as it might otherwise do. The philosophy recently has been that the trade-off for local drivers is to give discounts; the Dartford crossing is a classic example for local drivers. Are you suggesting that there should be a reversal of that policy, and that local drivers should pay a higher fee and freight should get the discount? Perhaps Ms Dee and Mr Radley might also want to comment on that.

Dr Metz: The estuary crossings are rather a special case by their very nature. The fact is that, where the strategic road network goes to the edge of an urban area, people naturally take advantage of it. The question then is: if you invest in more road capacity in that neighbourhood, who will take advantage of it? If it is local businesses, that is one thing, and there may well be a case for doing that. It is part of local economic development and planning, but we need to be explicit that that is what we are seeking. For the Highways Agency, there is the opportunity cost. If you invest in one place, which benefits local trips, what aren't you investing in to support long-distance strategic trips? My main argument is that we should make this explicit. We should understand the benefit-cost ratios of these different approaches and formulate our investment programme to reflect that, but at the moment that is not what is done.

Karen Dee: It is not something that we have done lots of work on in the way David has, but given the road network we have in the UK, there will always be balances to be struck between whether you speed up the strategic traffic and not the local routes. It is the role of Government to find a proper way of balancing those needs. As far as freight is concerned, we are, broadly speaking, strategic traffic, and quite often long distance. Reliability and congestion are a real problem for us, and there is a direct economic cost of that. We would certainly argue that charging should be lower for us, but you would expect us to say that.

It is quite a difficult debate in certain sections. It is not clear cut as to whether or not it should be just strategic traffic, because lorries have to exit the motorways as well, to get to a distribution centre. Sometimes that is an out-of-town consolidation centre. It is a difficult balance, but I would share the view that making that more visible would be a good thing.

Stephen Radley: We have not done the detailed work to give you a confident yes or no answer, but it is something we will be looking at in extensive detail next year, so maybe there will be a future opportunity to discuss it with the Committee.

Q92 Mr Sanders: I am intrigued by Professor Metz's thesis. Are you saying that where there is congestion on the main long-route highway, it is mostly caused by people on local trips? Are there studies to evidence that?

Dr Metz: If you take the M25 around London, about half the traffic is long distance—for example, from south coast ports to the midlands and north—bypassing central London. That was the purpose of the M25. The other half is local traffic, people using a segment or two to go to work, go to shops and all the rest of it.

Q93 Mr Sanders: Where does the idea about local traffic come from? Local traffic was always going to use the M25. I would have thought it was patently obvious that anyone from the east would want to get to the west using the M25 rather than going through London. Isn't that obvious?

Dr Metz: Yes. When I say local traffic, I mean people using a segment or two of it to do short, go-to-work trip. That was not expected when the M25 was originally planned, and that is why it filled up so rapidly with traffic—it was there to be used. If it had been a toll road from the beginning, you might have stopped that happening, because locals would not have wanted to pay the toll, but that was not the way we went. The question now, given where we are, is what happens if you add lanes to roads like the M25. Based on my analysis, my belief is that mostly local traffic would take advantage of it, to have more choices of jobs accessible from where you live and the time you have available and so forth. You could say that is fine and that is what we want, but you need to understand what is happening to come to that view. But it runs counter—

Q94 Chair: But would that be a reason not to do it? I am trying to work out the consequences of your line of thought.

Dr Metz: It might well be a reason not to add yet more lanes to the M25. The logic of the present approach is that you keep adding a lane, and when it fills up with traffic, you add another lane. We

have four lanes each way, and it could be five. You see examples of this in the United States. You need to ask what the benefit of the extra lane is. Who benefits from it? What is the economic benefit? There is a tension between meeting the needs of long-distance freight traffic in particular and the needs of locals who have got used to using the network as it is. It is all about what we do at the margin—what benefits we get in return for more new capacity.

Q95 Chair: What difference could technology make to this specific problem? Have you done any research into that?

Dr Metz: I am impressed by the fact that, as I mentioned earlier, the efficient freight operators offer just-in-time delivery to their clients. For example, the road freight operators that serve supermarkets, who deliver from central depots to the stores, typically contract to deliver to stores in 30-minute time slots. They can do that because they understand the network, they understand congestion and they manage their fleet. A while ago, I had the opportunity to ask a senior executive of one of these road freight companies to what extent unanticipated traffic congestion detracted from performance. His reply was memorable. He said it was less of a problem than unanticipated delays at the customer's premises. This tells us that modern digital technologies enable efficient operators to use the network without incurring the cost of journey time uncertainty. We need to make that information and those techniques available to the generality of road users, because, if we had the information about the journey time as a function of when we set out, the conditions of the roads and the nature of congestion, we could plan our trips much better.

Q96 Chair: Do you have any information on what difference this would make? Can you quantify it?

Dr Metz: No; the analysis has not been done. There is a great gap, at any rate in the published literature, of the benefits from investment in digital technologies.

Q97 Chair: Can either of our other witnesses, or perhaps both of them, say anything about what difference business could make to the whole issue of congestion, whether it is through travelling at different times, car-sharing schemes, bike-loan schemes or any other means, or changes to delivery times? Is there anything that business could do differently?

Stephen Radley: Potentially. We find that there is already a great deal of flexible working going on within manufacturing. A lot more companies now say that what they try to do is vary people's hours and give them a lot more flexibility in terms of when they work, to fit in not just with the traffic congestion issues you are talking about, but with the wider demands in their lives outside work. However, you have to be realistic; within manufacturing, there is only so far you can go. You need a core of people who are there together at the same time, because in a lot of factories we are looking at efficient production cells with teams of people working together, and you need them all together at certain times. Another thing is quite hard for manufacturers to do these days. Their order flows are very unpredictable, and increasingly companies find that they get orders at very short notice, and they have to be fulfilled extremely quickly. They may be able to offer that sort of flexibility on certain days, but not every working day.

Q98 Chair: Ms Dee, is there anything more business can do?

Karen Dee: Quite a lot of work was done during the Olympics, and is continuing, to look at whether or not certain deliveries can be made during so-called out of hours, but usually at the shoulders of the peak hours. The issue is that you can only deliver if somebody is there to take the delivery, so it works in some types of businesses. If you are coming into an urban area, often it is not so easy. Either there are other local restrictions that prevent deliveries happening at those times, or the supermarket or local business you are delivering to does not have the staff there to be able to take it. A bit of a shift will need to happen to allow that. That will happen eventually if there are measures in place to mitigate the additional costs, because if you deliver at night-time there will be less congestion, but additional staff might still be required to take delivery. It is about finding the

balance between allowing residents to get sleep, and taking deliveries and someone paying for additional staff to be there.

Chair: Thank you very much for coming to answer our questions.

Examination of Witnesses

Witnesses: **Martin Tugwell**, Deputy Director, Strategy and Infrastructure Planning, Oxfordshire County Council, **Simon Warren**, Chair, West Midlands Strategic Transport Officer Group, and **Stephen Joseph**, Chief Executive, Campaign for Better Transport, gave evidence.

Q99 Chair: Good afternoon, and welcome to the Transport Select Committee. Could we have your names and organisations, please?

Stephen Joseph: I am Stephen Joseph, chief executive of the Campaign for Better Transport.

Simon Warren: I am Simon Warren, chair of the Strategic Transport Officer Group and chief executive of Wolverhampton city council. I represent all the authorities through Birmingham and the associated conurbation, as well as Centro.

Martin Tugwell: I am Martin Tugwell, deputy director of strategy and infrastructure planning, working for Oxfordshire county council.

Q100 Chair: The World Economic Forum say that Britain is ranked 24th out of 30 countries in the world for our road network. Does that sound right to you?

Stephen Joseph: No. Whether or not that is true, that survey cannot be treated as an accurate reflection of policy. If you drill into it, as I think we have said in our evidence, the sample size turns out to be 93 people. You cannot base major policy on that. Whether or not that is the case, we would argue, as we have in our evidence, that it is better to take the rather better evidence-based studies that have been done over the years, such as the Eddington report in 2006, which did not argue that and which had rather more detailed evidence than this has.

Q101 Chair: Does any other witness want to comment on that, or are our roads as bad as that would suggest?

Martin Tugwell: Working within the Oxfordshire economy, where our challenge is about competing in a global economy trying to attract inward investors, my concern is that that kind of figure can potentially act as a detractor from making the initial inquiry. Whether or not it is right, there is the impression it creates in the mind of a potential inward investor. The key message is about creating an environment in which we are able to demonstrate that we have the infrastructure to meet the needs of an inward investor, or indeed an investor in the country already. That means creating a very clear message about what our transport infrastructure can do to support their business. I am not so worried about the detail of the survey, other than the fact that, as a headline, it makes higher the barrier, or hurdle, that we have to jump to get that investment.

Q102 Chair: Mr Warren, are our roads perceived as being very bad?

Simon Warren: I would agree with Martin's comment, but from the point of view of a very densely populated urban area. We have to acknowledge the fact that exports around the west midlands have increased by 30% since the first quarter of 2011, and to be able to maintain that competitive advantage, we have to make sure that both our local networks and the strategic networks are as good as they possibly can be. Referring to Martin's point, creating a greater uphill struggle with comparisons like that does not help the debate.

Q103 Jim Dobbin: I have an interest in this question; I use the M6 toll road frequently and have a tag on my window. Do you think the prevailing view is that it has failed to relieve congestion on the M6? If you agree, can you give us reasons for that?

Simon Warren: Some of the recent evidence is quite compelling. The M6 toll was designed to take 70,000 vehicles per day. At the moment, it is grossing about 45,000, or about 50%. If you look at the M6 around the north of Birmingham—the bits that would be relieved by the M6 toll—it is in the order of 125,000 vehicles per day.

The Road Haulage Association did a study in July in which their members were given free access to the M6 toll for that month. Although I have not seen any detailed analysis, I know that heavy traffic from the Road Haulage Association using the M6 toll increased by 11,000 lorries per day. Inevitably, that must have taken quite a lot of pressure off the M6 for the to-and-through routes—the strategic routes—as opposed to those Dr Metz was talking about in terms of junction-hopping, particularly around the north part of Birmingham. Does that help to answer the question?

Jim Dobbin: Yes, but I have a few follow-ups.

Stephen Joseph: We have been monitoring what has been happening to the M6 toll. We concur with the traffic figures. We would also point out that, in the way the toll road is set up, there is an incentive for the operator to price off lorries, except for occasional free offers, because they add to their maintenance costs. The maintenance costs are thereby exported to the M6 and the public roads, and have to be borne by taxpayers.

We have also seen that the Highways Agency has recently spent about £500 million in making parts of the M6, which were supposed to be relieved by the M6 toll, managed or smart motorways—in other words, providing capacity to deal with the congestion that the M6 toll was supposed to relieve. Our view is that it has not worked. That kind of single-link tolling on a dense network like we have in the UK will not really work.

Jim Dobbin: Mr Tugwell?

Martin Tugwell: My colleagues here are probably far better to speak on this than I am.

Q104 Jim Dobbin: Just to follow that up, what do you think should be done differently to improve this?

Simon Warren: The smart motorway initiative around junctions 9 and 10 of the M6 does help, but any improvement is masked by other extensive roadworks going on in that area, around the top of the M5 at junction 9.

On the question of whether de-tolling the M6 would have an effect, based only on the Road Haulage Association evidence from this summer, the answer would be yes. Vehicles that want to use that part of the M6 just to transit through would be tempted to use the M6 existing toll road as opposed to anything else. Other innovative things could be done to relieve the situation. For example, we know well enough when peak demands on the M6 will occur, so you may like to consider some form of arrangement whereby the M6 toll could be opened for those periods, to provide both relief to the existing M6 and also access for those individuals who want to do junction hopping—using just one, two or three junctions at those peak periods.

Martin Tugwell: For me, there is a slightly broader issue. If you take a step back and look at the strategic context, you cannot think about how to address some of the challenges with the strategic road network without putting them in the context of the transport system as a whole. Oxfordshire is a particular example, where the A34 provides for some long-distance movement but also has the challenge of carrying local traffic. I would argue that local traffic is perhaps as economically significant as some of the longer-distance traffic, but you cannot look at how you plan, develop and manage that road without also considering what you are doing in terms of the longer distance and the local rail network, where clearly you have a parallel transport corridor providing an alternative for some movements. That is where the idea of having a road investment strategy, linking it very

much more not just with investment in strategic rail schemes but also with local transport investment, is absolutely fundamental. Unless you understand the outcome you are trying to deliver, one could argue that any decision around any piece of infrastructure is being taken in isolation.

Q105 Graham Stringer: When the Eddington report came out, I was very cynical. I just see it as a Treasury paper—not wanting to spend much money and looking at how you can fiddle at the edges and increase capacity. Is the real issue here not the ranking but that we are one of the few countries in western Europe over the last 25 to 30 years that has suffered severe inter-urban congestion in parts of the country? Urban congestion is a phenomenon everywhere. Inter-urban congestion is really a characteristic of this country. Should we not build more roads to deal with that?

Stephen Joseph: We do not believe that building more roads, particularly trunk roads, will solve the problem, for the reasons Mr Tugwell just gave, which is that doing it in isolation will make the problems worse rather than better. Actually, we have tried it. The M25 has been successively widened over periods of years, and some of the bits that have had the most widening, around the south-west of the circle, are still some of the most congested. That is not an argument for saying you do not do anything with the road network, but it is an argument for saying that you do not do things on the strategic trunk road network in isolation from what you do with land use planning and other transport, because you are constantly running to catch up.

We may come to links with planning later, but one of the reasons why we have relatively high levels of inter-urban congestion is that we do not integrate with our land use planning. I think you referred in the earlier evidence session to out-of-town business and retail parks. Those have been built in this country with no regard to links with transport at all. The national planning policy framework does not help in this regard. Other countries integrate their planning of transport with their land use planning, and we have consistently not done that. We did some numbers on this, supposing that you put new business parks next to the M1: for every business park you put next to a junction of the M1, you lose something like 16% of capacity. If all you do is build more roads and allow business parks to grow next to the motorway, you will be constantly running to catch up, so you will not get the free flow of traffic that you said you wanted.

Q106 Graham Stringer: I agree with that. I have spent a lot of my time trying to stop out-of-town shopping centres and other developments, but it's gone—they are there now. They are going to generate traffic. I agree that we should try to stop any more, but are there not benefits from building extra motorway capacity?

Stephen Joseph: The problem is that with the current state of the planning system, if you build more motorway capacity you will generate more business parks, because people will want to locate there. The point I am making is consistent with what my fellow panellists have said. The point I would make is that there is always the possibility of changing direction, and not simply building more roads and doing other things. Even some of the out-of-town business parks have now developed sensible travel planning strategies that have reduced single occupancy car use, and that takes pressure off the trunk road network. There are always things you can do, other than building more roads.

Q107 Graham Stringer: Can I just ask one final question? We touched on it with the last panel. If you are going to build new roads—I understand that you do not totally accept the case for it—what is the best way of assessing the cost-benefit ratios? At the moment, it is done primarily on time saving in traffic terms. Wouldn't it be better to have an element of that, but with much more of an economic benefit assessment in the mix?

Stephen Joseph: There is a large-scale debate about this, and you will have tripped over it in relation to High Speed 2. There is a very strong view that, as you heard from the business representatives in the previous session, what business wants is reliability rather than shortened

journey times. The current system does not give that. Managed motorways do give priority to reliability, but I am told by people who were involved in developing the M42 pilot that they had a terrible time getting that through the Department for Transport economists, because they were focused on time savings rather than reliability and predictability. There are a lot of things you can do to make the road network more reliable without constantly adding lanes. For example, you can think about short sections of lorry crawler lanes on hills and the management and planning of development around roads, all of which can help make the road network we have got more reliable. That is really what we should be focusing on, as well as the environmental and other performance of the road network—safety and so on. It cannot just be about time savings. If you go in that direction, you will tend to get the wrong answer.

Martin Tugwell: I would concur with you. We need to have greater account taken of the economic opportunities and benefits that investment unlocks. I would point to the approach that local government, local transport authorities and local partners have been encouraged by the Government to consider. What are we trying to achieve in terms of economic growth through things such as the city deal, and now the strategic economic plan, where the focus is very much on how we unlock the economic competitiveness of a particular location? That does require investment in infrastructure. It is a very powerful argument to be able to say to an inward investor, or existing companies looking to expand, that we recognise that to do that there is a need for investment in infrastructure, to allow the jobs and growth to come forward. What is even stronger—we have had the benefit of this in Oxfordshire—is that you get the benefit of that growth being retained more locally. We have the benefit of an enterprise zone within the Oxfordshire local enterprise partnership where the growth in business rates is being retained within the local economy. That provides a much greater incentive locally to be open for business and to work with businesses to provide the infrastructure that allows them to grow. It also provides local partners with the opportunity to think about how they may finance the investment in infrastructure that will unlock that growth.

Simon Warren: I certainly agree with my colleagues, but from an urban point of view journey time reliability is of absolutely critical importance to manufacturers in terms of deliveries to their customers. Given that the strategic network is only 3% of the entire network throughout the UK, the local network is of critical importance and should be viewed as a system within the strategic network. To give just one example in the west midlands, when there are problems around the M6 and the M5, traffic will use the A449 to go straight from Wolverhampton to Worcester to try to avoid them, understandably, but it has an enormous effect upon businesses around Wolverhampton around the M54 in terms of trying to get journey time reliability. If we are going to look at the strategic network, we need to look at it in harmony with the trunk and the local network as well.

Q108 Miss Smith: That ending point is very convenient for my questions, which are about how you need to work with the Highways Agency and others to achieve all of these outcomes. Can all three of you, where relevant, tell us about your experiences of the pros and cons of working with the Highways Agency as it stands, and then your thoughts on how it should change?

Simon Warren: There was one major investment in my part of the west midlands: the Jaguar Land Rover engine plant. It provided new jobs for the local economy and was good for UK plc. A critical prerequisite of that was a motorway junction on to the M54. At that time, we did not have confidence that the Highways Agency could deliver it on time, which was an essential prerequisite for the selection of that site. We advocated that it was managed by local authorities, which is what has happened, and there will be just two years from inception to the delivery and use of that motorway junction. That is the speed of response we need in order to maintain the competitive advantage of my part of the west midlands, and indeed elsewhere as well.

Better working with the Highways Agency will be facilitated through just the sort of proposals you are making. It needs to be slightly separate and arm's length from central Government, with a longer funding horizon, so that it is not a victim of the annual spending rounds. That horizon is not far enough; it does not allow for the sort of planning we need. In terms of offering you one example of how we managed to deliver something very quickly, that is the sort of response time we need from the Highways Agency. We would like to work closer with it but in a much more proactive way.

Q109 Miss Smith: May I pick up on the interesting numbers you just gave? Would your example of needing to deliver that junction within two years have been served by a five-year planning horizon? How would you have hijacked your way into that cycle?

Simon Warren: We hijacked our way in through Philip Hammond, who was Secretary of State at the time, so it allowed us the flexibility to do what we needed. My colleague talked about city deals and greater flexibility. That is the sort of thing we need. A five-year plan for greater strategic planning is absolutely critical, because it gives a greater planning horizon, but you still have to have flexibility to do things quickly and the ability to do them when you need to.

Martin Tugwell: From our perspective as a county council, in the past the Highways Agency has suffered from the lack of a clear role. You will see from our submission that we identify potentially three roles that they play at the moment. Any organisation asked to do three roles will struggle and suffer as a consequence. Our experience has been that, where we are dealing with operational matters, it can be a very positive and productive relationship. I think about some of the opportunities we are now starting to deliver in Oxfordshire along the A34 corridor—junction improvements at junction 9 and at Milton interchange, and later at Chilton interchange. The local authority—the county council—has been taking the leadership in pushing this agenda, building on the fact that we understand where the economic opportunities lie. That will still be there in five or 10 years. It is long-term planning, and we understand that. We found that the Highways Agency is very responsive to our leadership, but it is coming from the local communities—the local partners—rather than in a strategic context. That is my observation on the difficulty the agency has at the moment in looking to respond to some of these challenges.

If you are working with businesses and looking to facilitate economic growth, the time horizons we have to work with are much sharper and shorter. It is a matter of frustration on the part of Oxfordshire that, whereas in a matter of months we can pull together a solid baseline of how the A34 operates at the moment and what needs to be done, we are going to have to wait for about 18 months for the Highways Agency to do the same kind of work. We do not think it is necessary for them to do that. We can provide the leadership locally, and we can look to have them involved in providing a strategic context for the work we are doing, but that shorter, sharper time scale is what we need, not just for our own benefit but for the UK's economy, because of the importance of Oxfordshire as a global brand to drive and continue the economic recovery.

Stephen Joseph: My comment would follow from some of the previous exchange. The Highways Agency had a smarter travel programme, which was about working with local authorities and businesses next to its network, with a view to managing demand by promoting such things as car-sharing schemes. The programme was shut down, and that is a shame. There has recently been a revival in relation to some cycling initiatives that the agency is bringing forward, and that is welcome.

As to where we might go next in relation to a long-term investment programme, it is very important that those kinds of programmes—the smaller schemes—do not get lost, because they are very important in delivering quick short-term measures to help local authorities, as opposed to the big schemes, which inevitably take a long time.

Q110 Miss Smith: Thank you all very much indeed. There are some fascinating themes coming out. Can I add to that the thing that all three of you will be familiar with in a couple of different ways, which is accountability back to people, whether they are the voters

of your authorities, or the campaigners that stick with you, Stephen? How do you think the future Highways Agency ought best to remain accountable to those who want to see projects A, B and C in, or projects D, E and F out?

Chair: How will Passenger Focus and the Office of Rail Regulation bring accountability? Will that work?

Stephen Joseph: I would be slightly more friendly to Passenger Focus than some previous correspondents have been, simply because, as an organisation, we were involved in getting them to expand their role into buses. There was equal scepticism that as a rail body they knew nothing about buses, and I think they have performed well and are now regarded highly on that.

The approach that Passenger Focus take, which would need to be taken by any organisation that comes to this, is evidence-based, from surveys of users; they have done that with rail, and with bus more recently. I have no doubt that, given the right briefing and finance, they would be able to do it on roads. There is a bigger question though: once you get off the motorway network particularly, you need to look at all road users, and also those alongside the roads, rather than just those on the roads themselves.

Mr Stringer may be familiar with the fact that recently there have been changes to the scheme for the M60 in Greater Manchester. That has come about entirely because of the impact that such improvements would have had on the air quality and air pollution experienced by those next to the roads. The accountability of the agency to those communities is equally important, because they are impacted by what happens on the road network and to those on the roads. That is not about Passenger Focus or accountability in that respect; it is what the duties and powers given to the new GoCo are, and how far they relate to those kinds of impacts on people and businesses alongside trunk roads, as well as those actually on them.

Simon Warren: I do not have much to add, except that similar issues in terms of environmental impacts are the same around the M6 at the north end of Birmingham.

Martin Tugwell: I would concur with Stephen Joseph. You have to be very clear about the accountability being fit for purpose—what is the remit and role of the new company?—and making sure there is an appropriate level of governance for it. My observation would be that one is not comparing apples with apples if you compare rail franchising—the Network Rail model—with the GoCo proposal, for exactly the same reason that Stephen talked about. The vast majority of movements and travel will involve at some point a movement on a local road network; therefore, it seems to be a level of governance and accountability that does not seem to fit the role of the company you are talking about.

Q111 Jason McCartney: I am interested in what level of co-ordination and co-operation there is between DFT and DCLG. My local council is Kirklees in West Yorkshire. When I attend controversial planning applications, whether for a data campus on the moors above Huddersfield or for major new housing developments, often highways are the tangible planning issue that objectors cling to, yet when an application is approved and we are talking about 106 money, my local councils often seem to be playing catch-up, putting the actual infrastructure in place afterwards. That has happened in north Huddersfield; we are only now putting an extra lane on the motorway link road that attaches to the M62. Is that your experience as well locally when you are connecting up your local road network with the national one, in terms of major planning developments? Is there a lack of co-ordination? We talk about strategy, but it does not seem to be happening on the ground.

Simon Warren: I have a specific example in mind, which was the one I talked about before: Jaguar Land Rover. It is a massive change just south of the M54, and it impacts on Wolverhampton city centre as well. On co-ordination, the 106 and all those sorts of things, the motorway junction will be put in on time; co-ordinated with that is greater use and better co-ordination around the Stafford

road, which is the main corridor for the city centre up to the M54. All of that is being done as one piece and one system.

Q112 Jason McCartney: So it can be done.

Simon Warren: Absolutely. I would go further: it should be done.

Martin Tugwell: It can be done and is being done by local partners, because they understand the issues. If I think about some of the things that happened in the south of Oxfordshire around some of the big international science parks, we as local partners, the county council as the transport authority, the district council as planning authority but, more importantly, partners like the universities and the business parks, who are providing those opportunities to investors, understand what needs to be done. That is why within the city deal we have the focus on innovation, and understand that it is investment in infrastructure, skills and housing that will deliver that. It would be unfair, and perhaps unreasonable—indeed a duplication—if you then expected that level of knowledge and awareness to be necessarily within Government Departments. I think the challenge comes perhaps because sometimes Government Departments feel they need to have that level of knowledge and awareness, rather than relying upon governance and accountability at local level, reinforced by some of the partnerships now being put in place, to present a very strong, cogent and logical argument as to why the investment needs to be done, and how we get it.

Your point about how you get that investment delivered brings me back to the point I made earlier. Increasingly, local partners understand the difference between funding and financing. If there is greater flow-back of the benefits of development to the local area, so that they know, and have certainty, that ultimately the funding will be there, you can have a conversation around how you finance the investment up front to allow the infrastructure that allows the development to take place. You avoid the situation where communities understandably see the impact of a development but not the benefit of the investment in infrastructure.

Q113 Jason McCartney: Have you had any experiences in your areas where developers asked for a relaxation in their 106 agreements, to continue or start a development, because that is certainly happening in my neck of the woods?

Simon Warren: Not in terms of a threat, by which I mean, “Either you do this or we walk away.” There is always some negotiation around infrastructure levy—section 106—and that is the sort of thing you would expect.

Q114 Jason McCartney: Have you had experience of that?

Simon Warren: Yes. In the main, we want these developments to occur, so we are very flexible with the approach to that, and most reasonable developers are as well.

Q115 Jason McCartney: Just to get this clear, you have had experiences of 106 money not coming through, being delayed or being given extra conditions, when it has been originally allocated in the planning permission for the local road infrastructure.

Simon Warren: I would say there has been dialogue and an amicable solution.

Stephen Joseph: I want to comment on the point you started with, about relating development to transport. As I said in my answer to Mr Stringer, we are not very good at this. The issue is not just about whether there is congestion; it is about whether the development can be reached by people without cars. We occasionally do a car dependency score card that ranks cities by how car-dependent they are, looking at different statistics. It is clear that cities change over time, even since we have been doing the surveys, and some of the places you would expect to be good, like Colchester, seem to be poor, and some places that were built round the car, like Milton Keynes, have been getting better. Policy can make a difference in this area, and the sort of things my fellow witnesses have been saying are about that. We think that is very important.

One of the problems, which these gentlemen have not really mentioned, is the disconnect with the local enterprise partnerships, who have their own funding streams and objectives, which are not necessarily related to what either the local transport authorities or the transport departments are doing. We have done some work looking at what the LEPs are actually funding and planning, and they are not necessarily related to what local authorities are doing. There is a real disconnect there.

One of the things running behind all this are national traffic forecasts. There has been some debate about this already. We are very concerned that those forecasts, which tend to be a given in any development discussion—you have to satisfy them—are vast overestimates. We would argue that the Department for Transport has been overestimating traffic growth for 20 years. That gives artificial barriers to development and the transport infrastructure that goes with it, because the argument is, “There will be all this traffic growth, and you have to meet that.” We have been looking at what has actually happened to traffic growth, and in most cases there has not been much; certainly, it has been running underneath GDP for some years. The forecasts and modelling that it is required that local authorities and developers take up are based on flimsy foundations.

Simon Warren: The experience with local enterprise partnerships is variable across the country. All I can do is speak parochially, and say that where I come from that is not our experience. We are very well co-ordinated with them.

Martin Tugwell: I want to come back to section 106. Our approach is very clear. If there is an impact, the development has to pay it. The pressure should come on the land value, because that is clearly the opportunity to provide the space for the investment in infrastructure.

Chair: Thank you very much.

Examination of Witnesses

Witnesses: **Jack Semple**, Director of Policy, Road Haulage Association, **Paul Watters**, Head of Road Policy, AA, **David Bizley**, Technical Director, RAC Motoring Services, and **Chris Peck**, Policy Co-ordinator, Cyclists’ Touring Club, gave evidence.

Q116 Chair: Good afternoon, and welcome to the Transport Select Committee.

Could you tell us your names and who you are representing?

Chris Peck: I am Chris Peck from CTC, the national cycling charity. We represent 70,000 members who cycle.

David Bizley: I am David Bizley. I am technical director at RAC Motoring Services, which is an organisation with 7 million members.

Chair: We just need the name of the organisation.

Paul Watters: I am Paul Watters, head of roads policy for the AA.

Jack Semple: I am Jack Semple, director of policy for the Road Haulage Association.

Q117 Chair: Thank you. Could you tell me what problems you have regarding the strategic roads network? What problems are you aware of? Are there any?

David Bizley: Most motorists do not differentiate the strategic and local networks; they make journeys that span both, and therefore their views at times are about their journeys rather than the specific components.

Having said that, our annual survey for our report on motoring, which we have been doing for about 20 years, suggests that motorists believe the condition of the strategic network is deteriorating. Congestion is still a major concern. It is not quite as high up the agenda as it was perhaps five years ago, because there has been a period of little or no growth on the strategic network in terms of traffic volumes, but it remains a major concern.

Q118 Chair: Mr Watters, do you have the same view?

Paul Watters: It is pretty much identical. Motorists just see it as one network and rarely differentiate between the two. It is perhaps the future shape of the network, and how it is going to look that we have some concerns about, particularly motorways. There are issues about peak hour congestion, and also incident management, which seems to be quite a contentious issue. As David said, we saw for the first time last winter, and post-winter, worries about the condition of even some motorways, with pot holes being reported for the first time, and that leads into the asset support contracts that the Highways Agency is going to be rolling out and using in the future, and whether we will see perhaps a little less attention to the quality of the network.

Q119 Chair: For the moment, I am seeking to know what problems you have found.

Mr Peck, what are the problems you have identified?

Chris Peck: One is that the strategic road network and the major rural A-road network represent a very serious risk in terms of cyclists being killed. On the strategic road network, last year eight cyclists were killed, despite the fact that only a tiny, tiny fraction of cycling is on that network. Eighty-two per cent of cycling goes on the minor network, whereas for cars it is more like 35%. Disproportionately, cyclists are put at risk on the strategic road network. We could explain why that might be, but there is about 28 times the risk of being killed on a minor urban road network, whereas people in a car are about four times more likely to be killed per mile travelled on the strategic road network compared with the minor urban road network.

The second point is that the major road network represents a serious barrier to local movement across and alongside the road in many cases. We believe this can act to reduce the amount of trips being made by walking and cycling that could in some cases relieve congestion on the network.

Jack Semple: The evidence from our members is that congestion has got worse over the last two years, and 60% of our members fear that it is going to get much worse again in the next two years. That impacts on their costs and their ability to deliver a reliable service.

To pick up the points about the network as a whole, one third of our members think that, for their business, non-SRN congestion is more significant in its impact on their business than the SRN as a whole, and one third think there is much of a muchness between the two. That is the sort of split.

We do not think that the SRN is sufficiently wide. We think the curtailment of the SRN is unhelpful. We are also concerned by the lack of adequate parking facilities along the SRN, which I appreciate is a particularly haulage-specific issue.

With the roads Command Paper, we are working towards a real vision for roads, but I do not think we are there yet.

Q120 Jim Fitzpatrick: I have a simple question, gentlemen. Given that there has been a welcome for the Government's proposals, the one surprise was the dropping of the prospective tolls for the A14. Good or bad news?

Paul Watters: Good news. We certainly hoped that was going to happen. It would have been very strange to have tolls on what is a national route. Our members were very clear: 61% said that they would use a road like that only very rarely, so there would be some diversion, although the diversion route was quite lengthy. We talked earlier about the M6. It is very clear that tolls are a disincentive. Drivers have regard to the fact that they pay quite a lot of motoring tax. I know it has been said many times, but, with high fuel prices, they do not want even £2 extra on a trip on a good strategic road.

David Bizley: Paul used the word “extra.” When we survey motorists, we find they are not opposed to some form of pay on use, as long as it is instead of some of the tax they already pay, but piecemeal tolling is seen as road-pricing by stealth and there is very little support for that.

Jack Semple: Excellent news. The strength of feeling from road hauliers, particularly in East Anglia, but not only in East Anglia, was certainly as much as we told the Department it would be. I was also very struck by the broader business response in East Anglia, above all for the discriminatory reason that has been mentioned.

Q121 Jim Fitzpatrick: Does CTC have anything specific?

Chris Peck: Although cyclists will not be affected by tolling, and the anticipation is that the new A14 will have an adequate parallel facility for cyclists, I would go back to what Dr Metz said in the first session. There is a risk that an enhanced A14 will simply fill up with local traffic. Tolling works very well to restrain some of that additional frothy extra traffic that is generated, to save the capacity to be used by the strategic long-distance traffic for which the enhancement is being built. There is a slight concern. The policy originally was to pay for new roads only with tolling. That has disappeared, and we are now heading full on into a policyless road-building future.

Q122 Miss Smith: Those last answers are very interesting. Picking up one of the themes from our other inquiries, I am a cyclist and, for Christmas, I have given another cyclist in my family a T-shirt that says “I pay road tax too”—Foska.com, to give its proper sales tag.

More seriously, could you give us your views on how the provision of highways should be accountable in this country? You may feel that the current Highways Agency is more or less accountable. How would you like it to be in the future?

Paul Watters: We surveyed our Populus panel, and our members were quite happy with the Highways Agency running the roads. There was quite a lot of doubt about transferring it to a “roadco”, as it were. Quite a high percentage—about 58%—thought that the state should run the roads, which is surprising, especially in the light of promises of extra investment that would come from that. With a producer-led initiative from the Highways Agency, it is always difficult to deliver the programme, especially when it is subject to budget changes year on year. We are not that accountable with strategic roads. MPs obviously get letters from the public. As to how we deliver roads, a “roadco” may well be the best approach, if the public can be convinced.

David Bizley: We are moving into a different era with the current proposals, where the role of the Highways Agency is more clearly defined in terms of both performance and construction. Some oversight of that through a regulator, or something akin to it, is appropriate, because it will create transparency and confidence among our members and generally among road users.

We share the concerns about Passenger Focus that have been articulated by a number of the other witnesses today. We think there are benefits from some form of change in structure for the Highways Agency. From an operational point of view, we find them very easy to work with on a day-to-day basis. They are very responsive in terms of short-term issues on the roads, but there is a legacy of inefficiency. I say “legacy,” because many of the decisions that created it predate some of the current management in the Highways Agency. For example, the traffic officer service is operated from seven regional centres. Those seven regional centres were set up just after the motoring organisations had closed their regional centres, because it was a lot more efficient and effective to run from one or two national centres. They were set up with very conventional shift systems just after the motoring organisations had moved to a demand-led system, so that you had most people out on the roads when there were most users on the roads. Those sorts of inefficiencies still reside today and are a lot more difficult to eradicate than they would have been to build right in the first place. I think the commercial structure of a company will help to keep it out of that trap going forward.

Paul Watters: The only concern is that some of our members thought that transferring the asset to the balance sheet of the company might eventually be privatisation by the back door. There was a degree of concern that that was the ultimate goal.

Jack Semple: I find it hard to imagine a situation whereby you can take the politics and political accountability completely out of roads. However the Highways Agency is structured, that will remain, and should remain. From the point of view of the Road Haulage Association, if we view the £50 billion budget over a generation in the context of something as important to the economy as the SRN, and the deficit in spending admitted over the past generation, and in terms of the cost of congestion, I do not think it is a huge sum of money. The debate on that will continue.

From our point of view, we would want a statutory right to engagement with the new business. We do not have that with the Highways Agency at the moment, but we have it to good effect with local authorities. For example, all the traffic regulatory orders from local authorities are scrutinised by colleagues at the RHA's regional offices and they pick out the ones that are significant. The significance is not always immediately, "This is about a lorry ban or whatever." Anything that happens on the roads is potentially significant. We would like the statutory right to engagement that we have with the local authorities. Just as importantly, but as an addition, we would like a culture of engagement. We are, for example, coming up to a major programme of resurfacing. I am not sure that the Highways Agency is particularly good at consulting, sometimes with other local authorities, never mind organisations such as the RHA, but there is a contribution we can make, with our members, to schemes locally, and also nationally, to scrutinise more closely how the Highways Agency is operating.

Q123 Chair: Mr Peck, in the written evidence you gave us, you said you had difficulties with the Highways Agency in relation to junctions and cyclists. Were those isolated examples, or was it a general point?

Chris Peck: We have a lot of examples from local campaigners in groups around the country. They are trying to be involved with the Highways Agency and to influence the layout of certain facilities and the design of junctions, and have great difficulty in achieving satisfaction. The problem is that money is spent on some of these schemes, but they are very little used because they are disconnected and discontinuous—they are as unusable as a broken chain if they do not link up properly. Those are our concerns; we submitted a couple of examples in the evidence. There is a lack of transparency in approach from certain parts of the Highways Agency, who often use subcontractors who are not doing a proper job in accommodating the needs of users, or who are cutting corners in some places. The issue that I referred to at the beginning about severance is one that is often missed out in these things. The contractor says, "We have a bridleway crossing an A road at this point, and it is a surface crossing but no one is using it. Therefore, we're not going to do anything about it." No one is using it because no one wants to try to wheel a bike across 70 mph traffic. There is a lack of imagination and innovation by the Highways Agency in dealing with some of these issues.

The Prime Minister's announcement in August that he wants to deal with some of these issues, the statement in "Action for Roads" and, more recently, the national networks policy statement have shown a bit of movement in the right direction. There is a commitment to do something about it, but it is in the hands of a very small number of committed officials in the Highways Agency and has not permeated the culture of either the Highways Agency or its contractors.

Q124 Chair: Do you agree with the predictions for traffic growth in the Government's Command paper? Would the AA or RAC representatives like to comment?

Paul Watters: Purely anecdotally, looking at the past, we have seen fluctuations. We have seen economic problems since 2007-08. There is no evidence that it will not grow again, but it depends on where it grows. We do not dispute the figures, because they are the best shot; I do not think they will ever be bang on, but they have not been far off.

Q125 Chair: Do you agree with them in general?

Paul Watters: I think we will see traffic growth. The strategic roads will see phenomenal growth, local roads perhaps less so, although that will feed off them.

Q126 Chair: Does anybody disagree with that?

Chris Peck: Yes. We submitted in our evidence that we felt they were very optimistic, or at least that they were greatly inflating the probable range of growth. We gave a specific example of how we feel the national transport model is pretty flawed, in that at the moment it is forecasting a drop in cycling between now and 2035, despite the fact that cycling has increased by 23% in the last five or six years and is clearly on an upward trajectory. We think that the model is a blunt tool; it is using very unsophisticated ways of dealing with technological and social change, which is a lot of what is driving the changes in transport at the moment. It is just taking the status quo and forecasting it forward, leaving out all those different impacts. It is a small example of why we think it is flawed. The DFT admits that it got the forecast for London badly wrong using the national transport model. In the future, if what has happened in London permeates into other cities, as it is doing—Manchester is making a huge investment in public transport, and other major metropolitan areas are doing the same—there will be a similar overcooking of the increase in traffic.

Jack Semple: Forecasting is obviously very important. I tend to agree with Paul that it is the best shot we have. The Highways Agency, however, have a huge amount of information—data—about outcomes for traffic growth that is not being used at the moment. One of the things users would like to see, certainly from the haulage point of view, is a much clearer and more detailed equivalent of a weather map of the UK for the SRN, where the Highways Agency, for a relatively small sum of money, could make much more imaginative use of their information to inform the outcomes of traffic growth on various parts of the strategic road network.

A point repeatedly made by members is that there could be much smarter passing on of information as to what is actually happening. There is a real under-performance in passing on information. They have a huge amount of information about outcomes and what causes them. I take the point about the agency being very civil engineering-oriented. That is one way of looking at it, but the haulage industry is becoming increasingly IT-driven, and the Highways Agency already have a massive databank, which they could mine to great effect.

Q127 Chair: What difference could better use of technology make to peak-hour traffic or congestion?

Jack Semple: As has been highlighted, it would let people see different start times; it would show the impact of traffic growth; and it would allow hauliers to plan more efficiently and explain to their customers the consequences of slow turn-round at RDCs, which we heard about earlier, for example. A huge array of benefits would come from that. The Highways Agency is often blamed for slow clear-up times, but it would let the police see the true consequences of the time they take when they close a road.

Q128 Jason McCartney: On the use of technology, a big blight in my part of Yorkshire is the misuse of sat-navs, with trucks getting stuck on country lanes—for example, in Saddleworth on the edge of my patch of the Pennines. My village is regularly log-jammed by overseas drivers using sat-navs and going down inappropriate roads. This happens every week. During the winter, one truck had to reverse three miles because there was no turning point. We have talked about technology. What is the Road Haulage Association doing about that? I am particularly interested in experiences in Europe, comparing and contrasting with those of your members. By the way, it was a UK lorry.

Jack Semple: Yes, I saw, but I will not say anything about that.

It is not really a Highways Agency issue. The local authorities need to channel that information to the sat-nav operators, because I am sure they would be very interested. There is a quick gain there.

On the broader issues, I have been talking to members about this quite recently. One of the benefits of engagement is that you can look at the best way to route a lorry. Can we focus local improvements on the SRN, the link to industrial estates, or whatever? There is a great deal of engagement that we could have constructively going forward, but as far as specific issues on sat-navs are concerned, the solution is to cut off the information at source where possible.

Q129 Jason McCartney: You must have members with caravans or motor homes with similar experiences.

Paul Watters: Our members think that sat-nav is the best thing ever invented. However, at least a quarter say it gets them lost, so sometimes it is a case of rubbish in, rubbish out. If you look at the alternative routes on offer when you programme the sat-nav, it can get you out of a narrow street, for example, as a truck driver. We have technology now, and it is helping already. The Highways Agency is now flashing up messages far away from problems. People can divert quickly. Sat-nav systems have that built in and it is saving us time on the network, but it has only limited benefit.

Q130 Jason McCartney: Mr Peck, from the cycling point of view, if huge lorries are taking short cuts on unsuitable roads, it is bad for cyclists.

Chris Peck: It is a concern to cyclists trying to use the minor road network, which, as I mentioned, carries 82% of cyclist journeys. On the technology front, the Highways Agency has the opportunity to use technology to examine the ways people are using the strategic road network and then target some of their communications or travel planning at places where they know a lot of trips are made—one or two junctions that clog up the road network—and divert some of them, whether it is buses or cycling. These are often short journeys, perhaps five miles or more, which take place in part on the strategic road network and add to the congestion on it. In the previous session, Stephen Joseph mentioned that the Highways Agency had a smarter travel programme that was doing things like this, focusing on individual business parks, trying to divert traffic off the strategic road network and using alternatives to single occupancy car use. One thing the Highways Agency told us in a meeting was that under the new company structure, they might be able to do more of that smarter travel work.

David Bizley: I do not have a magic solution to the problem you are talking about. We have seen a huge explosion in sat-nav usage, and the technology in the sat-navs has not caught up with the volume of use. It illustrates an opportunity. As we said, on the strategic network, the Highways Agency are getting better at providing information. On routes just off the strategic network, the traffic information is poor. Therefore, motorists very often do not understand what opportunities or what hold-ups will exist on alternative routes. That is an area where better traffic information will give motorists and commercial vehicles better choices, and we will make better use of the roads as a whole.

Q131 Jason McCartney: Could I put a final question to the Road Haulage Association. Does this happen to UK lorries on the continent? Do they get stuck on little windy roads in the deepest Pyrenees because of sat-navs?

Jack Semple: Not that I am aware of. Sadly, UK lorries only have 17% of international transport to Europe, and falling. There are not so many, and the people who do it tend to be more experienced. I shall find out and get back to you. We shall survey our members on that very point.

Q132 Jason McCartney: I was wondering whether there was some practice or technology for foreign-operated trucks on the continent different from what we are doing here to provide information. It is a huge problem in rural areas.

Jack Semple: We will find out in more detail. What we have seen with foreign trucks, which have taken up all the growth and more in international transport between the UK and Europe, is that they are coming increasingly from eastern Europe, and drivers are not experienced. In terms of the UK's

experience of sat-nav, for all the understandable frustration that residents on such roads experience, it makes a significant contribution to haulage efficiency now, and will do more in the future.

Chair: Thank you very much for coming to answer our questions.