



Transport Committee

Oral evidence: Draft National Policy Statement for National Networks, HC 1135

Monday 31 March 2014

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Members present: Mrs Louise Ellman (Chair), Jim Fitzpatrick, Karen Lumley, Mr Adrian Sanders, Chloe Smith, Graham Stringer and Martin Vickers

Questions 1-113

Witnesses: **Paul Plummer**, Group Strategy Director, Network Rail on behalf of the Rail Delivery Group, **Maggie Simpson**, Executive Director, Rail Freight Group, **Richard Ballantyne**, Senior Policy Adviser, British Ports Association, and **Martin Heffer**, Technical Director, Rail Transit and Aviation, Parsons Brinckerhoff, gave evidence.

Q1 Chair: Good afternoon, and welcome to the Transport Select Committee. Could you tell us your name and organisation, starting at the end?

Paul Plummer: My name is Paul Plummer, group strategy director of Network Rail and also a director of Rail Delivery Group.

Maggie Simpson: I am Maggie Simpson, executive director, Rail Freight Group.

Richard Ballantyne: I am Richard Ballantyne, British Ports Association.

Martin Heffer: I am Martin Heffer, technical director at Parsons Brinckerhoff.

Q2 Chair: Thank you. Would you say that the national policy statement sets out clearly the Government's policy on national roads and networks? Do you think that what it says is a clear statement? Who would like to give me a general comment on that? Do you find it clear?

Martin Heffer: I think it is very clear and welcome that there are well laid-out objectives as to what national infrastructure needs to deliver. That is certainly welcomed by the contracting industry in giving a clear outline of where we are heading on national infrastructure.

Q3 Chair: Are there any major changes any of you think should be made to it? You have all given some comments in your written representations. Are there any major changes any of you would like to see?

Richard Ballantyne: I am not sure whether it is a major change, but some recognition of the non-strategic rail links, in my case links to ports, in local authorities, particularly road links from the strategic network to the strategic port asset.

Q4 Chair: Are there any other specific things any of you would like to raise?

Maggie Simpson: We very strongly welcome the document. It has been overdue since the Planning Act, and that has caused particular concerns for the people who are developing rail freight interchanges. We very much welcome the fact that it is now making progress as a document. We have raised some specific points where we would like to see the wording strengthened, but fundamentally we think it is a very good document and we support what it says, particularly about rail freight interchanges.

Q5 Chair: Mr Plummer, do you have any dissenting views?

Paul Plummer: No, no dissenting views, and certainly no fundamental objections to it. We have already seen today, in the order we received in relation to Norton Bridge, although the statement is not formally in force, that the Secretary of State was able to say he had given some weight to the draft statement. We think that is a really positive step in how we can use that in the future to give clarity to projects where we are seeking permission to improve the railway.

Q6 Chair: Do you think it will make any major difference to the current situation? Everybody has been calling for a national policy statement and now there is a draft one. If this went ahead as written, would it make any difference to anything?

Richard Ballantyne: I think it will. The experience of the national ports policy statement, which was one of the first policy statements, is that it has injected an aspiration into planning to streamline and fast-track the most strategically important schemes. When you pass that over, the experiences would be positive, but, as I mentioned earlier, there may be some room for improvement on the non-strategic links.

Q7 Chair: Does anybody else think it will make any difference?

Martin Heffer: It will make a difference in terms of giving a clear statement to promoters who are bringing schemes forward. In our submission, one of the key points we make is that a sense of urgency would be welcome in potentially identifying the things that should be brought forward. I think that ties in with it.

Q8 Chair: Do you think it will make any difference to those things actually being implemented? You said you thought it might make major schemes brought forward quicker. Will it speed up the process on significant schemes?

Martin Heffer: What it will do is get rid of the debate about whether this is what the country needs. It is giving clear direction that this is national policy, so, hopefully, if something has been taken through the development consent order process, we will not have endless discussions about that, which would be very welcome.

Q9 Chair: Does anyone else have any views on that? Do you think it would make a difference to any of the major—perhaps contentious—schemes being discussed now? Would it make anything happen quicker than it would have done?

Paul Plummer: In relation to Norton Bridge, we have already seen that it has made some difference. To achieve its full potential, one of the important things is the development of the rail investment strategy—previously, the high level output specification—and making sure that it is fully aligned across all of the industry planning processes. The industry can provide input to that; we can have the right strategy, and then it can have the full potential in informing and speeding the planning process to implement it. You have the debate at the right time and place rather than later on in the process.

Q10 Chair: Mr Ballantyne, you spoke about the difference between road and rail access to ports. Do you think there is a problem in that this statement still looks at road and rail separately? Would it be better to look at an issue?

Richard Ballantyne: I would not say that separately is a problem, but if you play one off against another that is wrong. Freight, particularly on our side, is market-driven, so we would be looking for the market to decide, as a choice. If you are playing them off against each other, that does not generally work. We did some research last year and found out that about 85% of trade leaving ports on the land side goes out by road, which is quite an interesting observation. Notwithstanding that my colleagues here are particularly strong on the rail side, we need to make the point that we should not forget roads.

Q11 Chair: Ms Simpson, what are your views on this? Is it separating road and rail too much? Should it be looking at transport needs rather than identifying what the mode should be?

Maggie Simpson: Just to pick up Richard's point, that statistic is true but it is a very polarised picture. If you take some of the big ports, like Felixstowe or Southampton, 30% to 40% of what they shift is going out by rail. Some of the smaller ports do not have any rail connections, so it is not quite horses for courses across that portfolio.

Generally, I would like to see more alignment in the way the Government look at road and rail projects in their planning stages. We are trying to talk to the Highways Agency people about their feasibility studies and how they link into the Network Rail planning process to make sure there is that alignment. It has happened to a little extent on the A14 corridor. That is good. I would like to see more of that. As to whether that needs to manifest itself precisely in the way planning guidance is given through this document, I am not a planning lawyer, so people would need to give counsel on that, because there are different legal frameworks around the powers. Rail still has the Transport and Works Act; it has permitted development, so the scope of applicability of this document is different and may demand some differences.

Q12 Graham Stringer: The purpose of the national policy statement is to simplify and clarify the process so that it reduces costs and speeds things up. Do you think there is any danger that EU environmental directives will re-complicate it and take out the benefits of clarity in national policy statements?

Martin Heffer: We address that particular point in our submission. There is a potential risk of that in the national policy statement saying that technological alternatives have been looked at and cannot deliver. We would agree that that is probably the right statement.

Q13 Graham Stringer: Do you mean road pricing in particular?

Martin Heffer: On road pricing, the door probably needs to be left open, because at some point there will be a challenge that certain of the outputs Government require could be delivered by alternative methods. We do not believe that everything the Government want in their objectives can be delivered by alternative measures, but there is an opening there for certain people to challenge in

the future. We would like certainty to be delivered, to close down some of that challenge, while realising that you have to have adherence to those directives.

Q14 Graham Stringer: How do you do that, and what problems might be caused in practice?

Martin Heffer: The way in which schemes are appraised in the future means you need to have an appraisal framework and a supporting modelling framework that can look to what technology can deliver. While it is obvious that technology is not going to deliver freight boxes from ports, whether it will have an impact in terms of the commuter journey needs to be looked at. I am not sure that at the moment a modelling framework exists that can account for all those things. Showing that everything has been properly assessed allows Government to say, “Yes, we have looked at these alternatives and, through the national policy statement, they will not deliver everything, and therefore we are proceeding with hard infrastructure projects.”

Q15 Chair: Should high-speed rail be included in the national policy statement?

Paul Plummer: Clearly, it is massively interrelated. In thinking about the railway, our strong view is that you can sensibly think about high-speed new lines only as part of the overall network. We have to plan and develop it in that context. I do not have a problem, however, in saying there is a different planning process to approve a part of that. It is clearly of sufficient scale that it has to be dealt with in a different way, but we have to make sure those processes are aligned; so our long-term planning process in the railway now increasingly has to take account of what might happen in terms of High Speed 2, and how we optimise the whole network to get the maximum benefits out of it. For me, it is about aligning those things rather than necessarily saying you have to include it in this process.

Q16 Chair: How would you see that relating to this policy statement? Should there be a reference to high-speed rail and perhaps to the need to align it with other networks? Do you think it should have a role in there?

Paul Plummer: I take the need to see it as a whole network as such a fundamental principle that I didn’t regard it as needing to be said, but if there was a view that that was not consistent with the policy statement—that wasn’t how I read it, I must admit—it would be something that would concern me.

Q17 Chair: Does anybody else want to comment on High Speed 2 in relation to this draft statement?

Richard Ballantyne: From our side, this is obviously a strategic planning document, so it is quite different. When you cross over into funding for transport it could start to skew things slightly, but as this is a strategic planning document we do not have an issue with it being included.

Martin Heffer: Going back to the objectives at the start of the document, they are wholly aligned with what extension of the network would aim to deliver, and indeed with what has been said in the last couple of weeks about how you should go beyond any high-speed network in tying the network together. It is already embedded in there, even though not by name.

Maggie Simpson: The document sets out a case for the need for national infrastructure for the movement of freight. It does so on the road network and on the rail network, and it does so specifically in terms of the interchanges where those two modes meet. In order to provide that capacity, a range of things will need to happen and High Speed 2 is one of them. I think it aligns very well. As Paul says, whether that means that High Speed 2 should be progressed through the Planning Act or the hybrid Bill process would be for others to decide.

Q18 Chair: Do you think this statement will make it easier to have more strategic rail freight interchanges?

Maggie Simpson: Yes.

Q19 Chair: Why is it so important? Why does it matter?

Maggie Simpson: Because strategic rail freight interchanges have suffered very badly at the hands of conventional planning law. The Planning Act 2008, even where it is being applied absent the NPS, demonstrates a greater level of certainty for people who are looking to make those investments, because they know that, although there is a great deal of work still to be done to demonstrate the case, when they go into the planning system formally and that document is accepted, they can be confident of a decision within a six-month period. If they are investing their time, money and effort, they have a framework which gives certainty. It does not necessarily mean there will be a positive outcome, but they know the scope of where they are. For the one scheme that has gone through that process, they put in their application in the middle of last year and they are now confident of a decision by June. Other schemes which are going through under the Town and Country Planning Act have been in the system for 10 years. It can only help.

Q20 Chair: Is there any way you would like to see the draft statement changed to make those interchanges easier, or do you think it deals with the issue?

Maggie Simpson: We have made some points in our response about how the need case is articulated on a spatial basis across the country. We think that it does a reasonable job of setting out the national need, but we recognise that developers who are looking to put in facilities, particularly in the more difficult parts of the country, could probably benefit if that need case were at least acknowledged to be regional. We recognise that it cannot be site-specific; that would be inappropriate in lots of ways, but none the less there could be a recognition that you cannot make this rail freight demand happen if all your terminals are in Manchester, for example, which you could interpret the current text as giving you. That is unhelpful, so there could be some better definition of spatial need.

Q21 Chair: Are there any other aspects you would like to see changed in relation to the draft statement?

Maggie Simpson: We have raised one or two other areas for clarification. I do not think they are particularly significant.

Q22 Chair: What about ports? I know that reference has already been made to access to ports. Does this document do enough to assist better access to ports, or could it be changed to improve it?

Richard Ballantyne: At the risk of repeating myself, going back to my opening remarks, the final few miles to the port on roads are usually not on the strategic road network. I know that recently this Committee has done a lot of good work and made lots of interesting recommendations on access to ports, and on transport connection funding as well. We look forward to the DFT's response to those, and I think they complement this.

Q23 Chair: You are satisfied with the statement.

Richard Ballantyne: Broadly, yes.

Q24 Graham Stringer: You made the point that the trans-European transport network should be included. Can you expand on that point?

Richard Ballantyne: I may have done that in the written evidence.

Graham Stringer: Yes, it is in your written evidence; it was not now.

Richard Ballantyne: This is an extra source of funding that perhaps the UK Government would look to utilise. It is quite surprising that there is not any reference to it in the Government's document at all.

Q25 Graham Stringer: Would anything in particular stop this country getting those European funds if it is not mentioned in the policy statement?

Richard Ballantyne: Not necessarily stop, but it would certainly complement that. The connected point is that this is an England-only document, and obviously we have lots of international connections within the UK. One of the aspirations of TEN-T is to break down those barriers, so those two areas—the lack of connections to the rest of the UK and the lack of concentration on things like TEN-T—could easily be included, and cannot hurt.

Q26 Chair: What about the forecasts of the demands for use on the strategic road network? Mr Heffer, I think you have some views on that, have you not?

Martin Heffer: Yes. It comes back to an earlier comment as to what tools need to be available to ensure those forecasts are properly considered to be robust. In particular, we drew attention to what happens if technology changes the way in which people journey to work, and what happens if constraints on the network bite in a way which they are not expected to today. To be clear, this is really about making sure we have a framework that is not challengeable, rather than challenging the need for national infrastructure. At the moment we are not sure that the modelling framework goes far enough to address the potential needs. Looking at the other end—the objectives in the document—it is about having forecasts that can not only talk to numbers of trips but understanding, if you facilitate those trips, what they deliver in terms of the objectives in the policy statement. So, for x pounds invested in a road, what does that do in terms of jobs, output or GVA?

Q27 Chair: You say you are not sure whether the demand forecasts are right. Is that just a gentle query, or are you seriously concerned about the forecasting?

Martin Heffer: The forecasts have been proven right to date, and the basic connection between output, population, economic growth and trip making has been seen to be robust up to now. We are on the verge of technology changes in the next two or three generations that may challenge some of those relationships. What we would like to see are forecasts that can look at sensitivities about what those changes might bring.

Q28 Chair: Mr Plummer, what about rail? The Rail Delivery Group says that there is an underestimate here.

Paul Plummer: It is a similar story. Network Rail co-ordinates the industry process around a series of market studies, and that is strongly advocated by Rail Delivery Group. We have done studies into regional, urban, London, south-east, long distance and freight markets, and we believe the numbers referred to here are conservative in that context. The next thing we will be doing is translating those market studies into route studies right across the railway, and that feeds through, in the funding process, to the industry's input to the Government's rail investment strategy—the HLOS as it was. The way we think that can properly be dealt with is to make sure we are doing the further work, so that we are robust in our view about demand growth, and can feed it in through that process so it sits alongside this policy statement.

Q29 Chair: What is the extent of the difference between what is assumed in the policy statement and what the Rail Delivery Group thinks is correct?

Paul Plummer: I am happy to send you a quantitative description of that and summarise it for you offline rather than make up figures here off the top of my head.

Q30 Chair: Is it a very significant difference?

Paul Plummer: It is a significant difference, yes.

Q31 Chair: What are the implications if the estimates in the statement are wrong?

Paul Plummer: One thing that is pretty sure is that there is a range of uncertainty. What we try to do is take a much more scenario-based approach to our forecasting, rather than a black box modelling approach. We have a range of scenarios that we model as to what is driving the growth in the different markets and the different parts of the railway, but, given that, we think this is conservative. The implication would be that, if it is right, and if decisions not to invest in infrastructure were made upon conservative numbers, we would see the need for more acceleration and investment. Clearly, it takes time to catch up, so you could see more congestion and performance issues than would be the case if we got the figures right in the first place, but I am afraid there is no certainty here.

Q32 Chair: Why is there a disparity in the figures that you think might be the reality? Are different sources being used or different assessments made from the same information? What is behind it all?

Paul Plummer: A lot of the information is the same. We work very closely with Government on this, but they seem to be more conservative than some of the assumptions underpinning the high level output specification for control period 5, which is starting almost as we speak. In developing the route studies and aggregating them back up, we need to make sure we fully understand that. I cannot tell you one single thing that results in a different view.

Q33 Chair: What could the results of a mistake mean in terms of this policy? If the wrong figures are in it, what does it mean? Does it mean that lines would not be built or that there would be more congestion? What does it mean in practice? What would be the results?

Paul Plummer: If it meant that investment did not get consent because of overly conservative forecasts, we would have more crowding and punctuality issues than might otherwise be the case.

Q34 Chair: Are there any other issues to do with rail that relate to the statement, or any deficiencies in it?

Paul Plummer: The key thing for us is the issue about the demand forecast, which we need to continue to develop in the industry planning process, and linked to that, therefore, is the need to make sure those processes are tightly aligned as we go forward, so that we have the best analysis feeding into the rail investment strategy, which then underpins the decisions made through this planning process.

Q35 Chair: What about the implications of a statement for local road and rail networks? Do you have any views on that?

Martin Heffer: I think that is one of the areas where we are concerned whether the constraints are being properly taken account of. As Mr Ballantyne says, very few trips actually start or finish on the strategic network; they generally all have their origins particularly on the local road network as

far as highway trips are concerned. A valve is operating there. If that valve is released, it can have a significant impact on the national highway network; if it remains shut, equally it can have an impact. At the moment it is really about the last mile and first mile, which we originally spoke to about ports, but which is just as important in our regional centres.

Q36 Chair: Does anybody else want to comment on local road or rail networks?

Maggie Simpson: From the point of view of rail freight interchange, the trips being made to stores by trucks day in, day out are happening already in a system that is predominantly road-fed. By developing strategic rail freight interchanges we can move the trunk haul part of that—the motorway trip—on to rail. Yes, the last mile may still be on road, but overall we will have reduced road congestion and helped to remove lorries from the trunk road network. Also, consolidating the warehousing in one place gives opportunities to site it at the best places where the strategic road and rail networks interchange—the whole premise of the development—and probably to leverage mitigation, because there will undoubtedly be immediate impacts in the vicinity.

Q37 Chair: Does anyone else want to comment?

Richard Ballantyne: Perhaps there could be a more encouraging steer for local authorities to take account of national policy statement documents. The equivalent document for ports that I mentioned earlier has principles for the non-strategically important planning proposals, which in my case are considered by the Marine Management Organisation. It is an aspirational document for all planning applications in the port sector, so perhaps there could be something similar on this.

Q38 Graham Stringer: Can I read you a sentence from the Friends of the Earth submission, which effectively argues the opposite of what you say? I would be interested in your comments. It says: “However the Government has singularly failed to consider the evidence on traffic growth, its connection to population, the role of rail freight, and the role of demand management and modal shift in reducing pressure on the strategic road network in the particular areas identified on the maps in Annex A.” What is your response to that?

Richard Ballantyne: The Government could probably do more to concentrate on modal shift. It is fair to say that there is not much of a policy at the moment. The Government have farmed it out to industry and perhaps it is time to have another look at that, but, as I said earlier, freight particularly is a market, and the market decides. Unless the Government start to change choices through taxation, or by putting more funding into certain things, the market will continue to decide.

Q39 Graham Stringer: Anybody else?

Martin Heffer: For passenger rail, such constraint measures are already in place; the network is demand-managed through fares. When you get to highways, and personal travel on highways in particular, the policy options that are considered and discounted in the national policy statement appear as an either/or. What we were trying to get to in our response was that it needs to be an integrated response rather than an either/or response. The policy has to have maintenance at its heart, because without maintenance the network does not survive and run. It also needs to support sustainable modes in the way in which it is developed. It comes back to acknowledging that, while not at present, there may be a future role for some form of fiscal management, particularly given that if new developments are put in place the policy statement says that tolling could take place. I think it needs to be a structured, integrated whole, which takes account of all of those rather than discounts them.

Maggie Simpson: The current Government are supportive of rail freight. There is no doubt about that in terms of both the investment they have put in and the policy support. Are they proactive in

encouraging modal shift? No. We have had more proactive Governments in that respect. They are certainly supportive, and I could not criticise that.

In respect of Richard's point about the fact that freight is market-led, one of the big drivers for a strategic rail freight interchange is that it helps rail freight reduce its costs and become more efficient. Therefore, it costs less to the market and makes it more likely that commercial companies will choose to use it, because it will be able to compete with road more equitably.

Q40 Chair: We will be seeing the Minister later this afternoon. Are there any specific points you would like us to put to him, or any particular amendments you would like us to pursue? Here is your opportunity.

Richard Ballantyne: It is perhaps not suitable to go inside the document, but transport funding is very important, so any strategy has to go alongside some money. On the roads side, "Action for Roads," the document last year, highlighted the real decline in investment in roads over recent years. Now we spend substantially less than a lot of our European competitors, as is detailed in the document. As long as the strategy can be backed up with money, that would be a positive move.

Q41 Chair: Are there any other comments from anyone?

Martin Heffer: Money is always great, and hopefully the opportunity to recognise that it needs to go between the local and national part of the journey, because without the two working together it just does not operate.

Maggie Simpson: I would just like to give encouragement to get the document finalised.

Q42 Chloe Smith: I want to come in on that quite right point about funding. I might ask Mr Plummer to start the answer to this. Network Rail is probably the best example we have of running a highly structured funding cycle alongside this document. It proposes something approximating to that in terms of roads, but at the moment they are two separate systems in connection with this document. Some of those cycles can be almost confusing to the public, in the sense that Network Rail's numbers get announced about five times in the cycle. Everybody has an argy-bargy about whether they are the right ones, and eventually the final one is announced. Mr Plummer, what do you think ought to be done about that, and how can it be better held accountable to the public?

Paul Plummer: One of the things I am trying to do within Network Rail, but also across the rest of the railway industry, is to go more towards what I refer to as continuous planning processes. Rather than these somewhat arbitrary five-year periods, which are important for money purposes and it is unrealistic to move away from them, we need to make sure that underpinning them we have a more continuous process. That starts by looking a very long way ahead at the needs and capabilities of the network and, therefore, at what the gaps are, and, from that, at the major interventions you need to make to the network, and then specifying the detail of that and delivering it. Along the way you need to get some money. The processes you refer to are important for that, but what I am keen to do is to get to a point where we are treating that more continuously. In terms of the ongoing operation, maintenance and renewal of the network, if you like, it is a more continuous process, and we should go for funding for specific large enhancements at the right time for those enhancements, rather than at the right time for an arbitrary cycle.

That can help us do a number of things. It can help us make sure that we are sustaining the asset properly for the long term—good stewardship; that we are going for funding at the point where we have sufficient confidence about the cost; that we are very clear about what we are going to deliver and how much funding we need, rather than it being very uncertain and having to shoe-horn it into a particular process; and that it is not so late that we have already done a lot of the development and are halfway through the process. A lot can be done there. I do not think this statement

fundamentally gets in the way of that; it can help, but, between Network Rail, the Rail Delivery Group, the rest of the railway industry and Government, we can make that work in a more continuous, streamlined way.

Q43 Chloe Smith: Does anybody else want to comment?

Martin Heffer: I am a board member of a local enterprise partnership. We have just submitted our strategic economic plan. I represent an area in Sussex. It is interesting that we are talking to the Department for Transport about the control period for railways, potentially a forthcoming control period for highways, an airports funding regime and potential decisions that seem to be tied post-election to the report of the Davies commission, none of which is in terribly great sync. That is the way of life, but, in answer to your question, for the public and for us a degree of certainty which saw those control periods pulled together into a single cycle would be very helpful, particularly for the contracting industry because it gives us certainty about where work is going to happen and how things are going to come forward in the future.

Chair: Thank you very much.

Examination of Witnesses

Witnesses: **John Rhodes**, Director, Quod, **Andrew Shaw**, Planning Officers Society, **Jeremy Evans**, member of the Transport Policy Panel, Institution of Engineering and Technology, and **Naomi Luhde-Thompson**, Planning Adviser, Friends of the Earth, gave evidence.

Q44 Chair: Good afternoon, and welcome to the Transport Select Committee. Could you tell us your name and organisation, starting at the end?

Naomi Luhde-Thompson: My name is Naomi Luhde-Thompson, planning adviser at Friends of the Earth for England, Wales and Northern Ireland.

Jeremy Evans: My name is Jeremy Evans. I am representing the Institution of Engineering and Technology, and previously I was immediate past chair of Intelligent Transports Systems (United Kingdom).

Andrew Shaw: I am Andrew Shaw. I work for Dorset county council, and I am representing the Planning Officers Society.

John Rhodes: My name is John Rhodes from Quod. I am a private sector planning consultant promoting, for instance, strategic rail freight interchange developments, and today I am jointly representing Kilbride, a rail freight developer.

Q45 Chair: Thank you. Do you find the national policy statement on national networks a statement with clarity? Is it very clear what it is saying? Is it generally acceptable? Are there any major changes you would want to make to it?

Naomi Luhde-Thompson: We think it is really the wrong vision as a national policy statement for national networks. One of the reasons for that is the assumption of need and the responses to that need, particularly on road, because there are issues such as demand management, public transport and modal shift that need to be considered as measures initially, and it should filter the projects that come forward after that.

In addition, I do not know whether you have seen the evidence of the Campaign for Better Transport, which showed the inaccuracy of some of the traffic forecasts, particularly from the Highways Agency and the DfT itself. Those have been presented in evidence to the Committee. I would like to draw your attention to them as evidence that perhaps the assumptions made in the national policy statement are not quite as accurate as they should be.

Q46 Chair: Mr Evans, what is your general view about the statement?

Jeremy Evans: In general, the national policy statement is a good move, but there are some gaps in it that need to be filled. One of them is more consideration of what technology can do to make better use of the network, particularly the road network, and also the issue of resilience. Resilience is hardly mentioned at all in the national policy statement, in particular resilience in response to incidents that happen on the network, such as accidents and so on, which cause major disruption to travel, and impact on journey time reliability.

In my view, the forecasts are based on certain dubious assumptions, particularly for road development over the next 30-odd years to 2040. The assumption that the cost of car travel will continue to reduce is not necessarily the case. Certainly, putting forecasts into a national policy statement is a mistake. You cannot say that a forecast is Government policy. I believe those forecasts will continue to be challenged through the DCO process.

Q47 Chair: Mr Shaw, what is your general view on the national policy statement?

Andrew Shaw: I think the comments made by Naomi regarding alternatives for increasing the road network should be taken on board—the need for demand management and the need for improved and increased sustainable transport.

On Mr Evans's comment on the forecasts, we are concerned about the basis of the forecasts in terms of their, in effect, simplicity; they are looking mainly at population changes, increases in GDP and possible reductions in the cost of road transport. All of those combine, and, rather than producing a document that enables Government to provide a network that will provide for that increase in road transport, we should consider it a very alarming figure and we should be doing something about it in terms of reducing road transport.

Q48 Chair: Do you think the predictions are correct?

Andrew Shaw: As I said, they are simplistic, inasmuch as they ignore a number of issues that are coming to the fore. For instance, new technology, such as e-commerce, tele-commuting and social networks, is reducing the need for people to travel generally. I think that technology in terms of something like road pricing is a technological solution that could manage demand for transport, so effectively the pressure is downwards, or possibly going to become downwards very soon.

Q49 Chair: Is that for road and rail?

Andrew Shaw: This is just for road. The response from the Planning Officers Society was based simply on the projections for road.

Q50 Chair: Mr Rhodes, what is your general view?

John Rhodes: In principle, the idea of having an NPS for networks is extremely welcome and overdue. My impression is that the private sector generally—if I can assume to talk for them, which I shouldn't—welcomes the infrastructure planning process under the 2008 Act and thinks it is a good way of bringing forward nationally important infrastructure, but for it to be effective it needs a national policy statement to create the tests against which applications are to be judged by the

Planning Inspectorate and the Secretary of State. Having an NPS is important. This NPS is very good in a number of ways, but perhaps not particularly clear in others. Part of the NPS is more of a conversation than a direction of policy.

Q51 Chair: Which areas lack clarity?

John Rhodes: The area where the NPS is sharpest is where it can define projects. On strategic rail freight interchanges, I have some concerns about the policy, but we know what the policy is. It is difficult to know from the rest of the NPS which nationally significant infrastructure projects for rail or road would be able to claim that they are directly supported by the NPS. One of the purposes of the NPS is to make it simpler to go through the planning process. The prospect of having arguments about or examinations of forecasts is an awful one. The forecasts are not intended to be precise. Everybody knows that forecasts will change over time and the forecasts are not the policy. The forecasts identify a thrust or general direction to which the planning industry needs to respond, and we can see how to do that in rail freight interchanges.

It is more difficult to see precisely what the policy is in relation to road infrastructure. For instance, is the policy to meet unconstrained forecast demand? I do not think it is. I do not think that is what the document is telling us, but it would be helpful if it was clearer in identifying what type of road projects, for instance, were most likely to be considered to be consistent with the NPS.

Q52 Chair: Would the draft national policy statement make any difference to anything in the future if it stayed as it currently is?

John Rhodes: The national policy statement would make some difference by area of interest today in strategic rail freight interchanges. It is very helpful to have an up-to-date national policy statement to say that there is a compelling need for a network of rail freight interchanges, but it is probably fair to say that we already knew the Government were supportive of rail freight interchanges; the policy climate is reasonably warm in principle to them. What is important about the NPS is that it is as useful as possible in the examination of DCO applications.

Q53 Chair: Would this statement do that?

John Rhodes: Not as much as it could, no.

Q54 Chair: Are there any other views? If the policy statement stays as it is, or changes in any specific way that you want to advocate, would it make any difference to the situation now? There have been a lot of calls to have a national policy statement. If it is like this, or changed in any way you want to advocate, would it actually make a difference to anything? Can we have the views of the panellists?

Jeremy Evans: My view is that it would still cause major concerns when each individual scheme was being put forward as a national strategic infrastructure project, because it would still be necessary to look at the corridor impacts and the impacts on the local feeder networks as well. That is where the constraint will occur. You cannot just look at forecasting growth on the strategic network without looking at the impact on the local network. Most of those inter-urban journeys originate or terminate in an urban area, and the capacity of those local roads is not going to change significantly over the next 10, 20 or 30 years. As an example, if the M1 southbound was improved dramatically, it would still turn up at Staples Corner on the north circular road, so the risk is that that improvement to a road network would simply be a big car park. You have to look at improvements to the national strategic network alongside local roads as well.

Q55 Chair: But to secure that would this statement have to read differently, or could any national policy statement produce the result you are talking about?

Jeremy Evans: I would suggest that the statement has to refer to overall consideration of the impact on the local networks, and that applies to rail interchanges as well as the road network.

Q56 Chair: Ms Luhde-Thompson, do you have any comments? I want to know whether you think this statement would make any difference to anything that is happening now.

Naomi Luhde-Thompson: I think it would cause confusion. It would not be clear what sort of projects would be appropriate and what projects would be considered as the ones that should be coming forward, because there is no clear test as to what sort of projects should be coming forward. It does not say, "Have you considered demand management? Have you considered public transport first? Have you gone through that hierarchy before this project comes forward?" Otherwise, it might be a completely inappropriate project, as Jeremy was saying, because you have looked at only one aspect of it. Paragraph 4.2 is a very general one, basically saying that it is meeting a general assumption of need rather than addressing a problem in a particular location. What you really want in a planning policy is a series of policies that tell you what sort of projects need to come forward, and then you look differently at those areas. For instance, at the back of the national policy statement there are four maps and two annexes. Annex A deals with congestion on the strategic road network. I do not know whether you can see it from here. There are basically two areas of congestion: one in the north-west and one around London. Anyone who has been to those places will know there is a really big issue about demand management and public transport for commuters, which is putting pressure on the strategic road network, but the solutions lie elsewhere.

Q57 Chair: Mr Shaw, what is your view about whether this statement would make any difference?

Andrew Shaw: I agree that it would cause confusion simply because of the impact on local networks that schemes can potentially have, given the rate of growth that this is attempting to facilitate.

Q58 Graham Stringer: I do not know whether you heard our previous witnesses. They believed that the statement would speed up the process and make faster decisions on major projects. Is what I am hearing that you disagree with that, and you think this national policy statement will slow it down?

Jeremy Evans: I would not say it would slow it down compared with the current processes. I do not believe it would speed things up.

Q59 Graham Stringer: Does anybody else want to talk about speed?

Andrew Shaw: The danger is that the wrong schemes are promoted. Because the policy statement ignores issues like carbon emissions and the possibility of alternatives, or the need to seek alternatives, it enables some schemes to be pushed forward that may not be appropriate.

John Rhodes: I think the nature of the debate demonstrates the need for the national policy statement, because there is always a range of opinions on transport investment, whether it should be demand management or economic growth. The lead principle is that there needs to be a national policy statement that sets it out clearly. It would reduce debate significantly at examinations if the NPS was in place, as long as it was as clear as it could be.

It is also important to distinguish that the NPS should do two things. It should identify what sort of projects it supports or that can claim to be consistent with it. It could be clearer about that. The issue about whether large projects have impacts on local roads, for instance, is not a reason to be concerned about the national policy statement, because the second half of the statement tells you,

once you have worked out what sort of project is supported by the NPS, how to assess that project. It tells you in the detail of assessment principles how to look at the traffic impact. That is the job of the Planning Inspectorate, and they are given guidance as to how they should do that. If the traffic impacts are unacceptable, they can recommend refusing the project. There are two distinct parts.

In relation to what sort of projects can claim the support of the NPS, it is not sufficiently clear in relation to road projects particularly; it is clearer in relation to rail projects, but the assessment principles, subject to detailed concerns that we set out in our statement, are reasonably clear.

Naomi Luhde-Thompson: I want to add one more point about the way climate change is treated and about chapter 3, which in the main is about wider Government policy on national networks. It is basically using what I suppose you could call offsetting measures. It is saying that, although they see an increase in road traffic, they do not think that will increase carbon emissions. This is a very serious issue, because the decision maker, when examining the project, will have to have regard to climate change considerations and will have to be able to look at that impact, because that is going to be an impact. If you look at some of the ways carbon emissions are expected to be reduced, such as through electrification of vehicles, it is taking a while to bring them in, even in London, which has its low emission zone. The forecast impact is being brought forward, whereas the implementation is going to be slower than that. That is another place where the national policy statement needs to be looked at.

Q60 Graham Stringer: Is that not a bit of a red herring when there are legally binding targets on carbon emissions for the whole energy system, and there is a detailed plan for electrification, as you say? Basically, you will not be able to buy gas, and cars will be electrified. A whole process is going on in the Department of Energy and Climate Change that is going to do that, so why is that relevant here?

Naomi Luhde-Thompson: Because it should be integrated.

Q61 Graham Stringer: Why should it be integrated? If it is going to happen, why should you take account of the same policy in two different places?

Naomi Luhde-Thompson: Because they are taking account of one policy, which is the electrification of vehicles, and in this area you are deciding whether or not to permit the building of a road, which means that you have to consider climate change among a load of other considerations.

Q62 Graham Stringer: But if the vehicles that are going to drive along the road are electric ones, what impact will those vehicles have on the atmosphere?

Naomi Luhde-Thompson: Because other things, such as reducing demand and the need to travel, are also considerations that have climate impacts.

Q63 Graham Stringer: So you want to stop people travelling.

Naomi Luhde-Thompson: No.

Q64 Graham Stringer: Well, that's what you have just said.

Naomi Luhde-Thompson: No. I would like to ensure that, when a decision maker is taking a decision on projects that come forward under the aegis of the national policy statement, they are able to consider climate change emissions.

Q65 Graham Stringer: I will not repeat the points. Can you tell me when Friends of the Earth became in favour of trams and light rapid transit?

Naomi Luhde-Thompson: Sorry?

Graham Stringer: In your written statement somewhere you say you are in favour of light rail. I just wondered when you changed your policy to be in favour of it.

Naomi Luhde-Thompson: I am not sure when we changed our policy. I am not sure how that is relevant.

Q66 Graham Stringer: It is part of your statement saying that you support it.

Naomi Luhde-Thompson: Yes.

Q67 Graham Stringer: In practice, you have opposed light rail in Greater Manchester. It is a welcome change in policy, but I just wonder when you changed it.

Naomi Luhde-Thompson: I would have to give you that information afterwards.

Q68 Martin Vickers: Mr Shaw, if I understand you correctly, a few minutes ago you said that the wrong schemes were being promoted. What evidence do you have for that? If I think of my own constituency and the immediate region around it, we have an off-the-book process of schemes coming forward, be they road, rail or whatever, many of which are discussed endlessly for years even before central Government get involved. What is the basis for saying that they are the wrong schemes?

Andrew Shaw: My own area of Dorset has a priority list of schemes, but those are not the strategic schemes. If the strategic network is going to be developed, it needs to be developed in a way that enables growth—if that is the purpose of it. The schemes that enable growth are the ones that need to be promoted. Going forward, when no alternatives are looked at, in terms of things like road pricing, the possibility of demand management or anything else, naturally there must be a sub-optimal outcome when the schemes are decided.

Q69 Martin Vickers: Do you think that local authorities, LEPs and so on have sufficient expertise within them to do the increasing volume of work that is demanded of any scheme?

Andrew Shaw: Speaking for my own authority, I think we are struggling, but we are a very small highway authority. The answer is that you become parochial. The authorities or LEPs that have the best capacity to promote schemes are the ones that take them forward, so it still does not necessarily promote the best schemes or the best outcome.

Q70 Chair: Mr Shaw, you have mentioned road pricing a couple of times. Do you think there should be an assumption that road pricing will be enacted?

Andrew Shaw: Over the course of 25 years it seems such an obvious solution that—

Q71 Chair: But in planning for the future and making assumptions about growth rates and traffic, are you saying there should be an assumption that it will actually be done?

Andrew Shaw: I do not think so in terms of growth rates, because there are other downward pressures on growth rates. In terms of deciding whether or not you are going to produce additional capacity, or simply use the capacity you have got better, you really need to assume that you are going to do it better in future.

Q72 Chair: Including road pricing.

Andrew Shaw: Including road pricing.

Q73 Chair: Is that on all roads, or most roads?

Andrew Shaw: It rather depends on the technology. In an ideal situation you would price roads according to demand. The roads where there is excess demand would carry the highest prices, but I think we are a long way from that situation.

Chair: I just wanted to clarify what you were saying.

Q74 Mr Sanders: Can I ask each of you what you think the main purpose of the NPS should be?

John Rhodes: The main purpose of the NPS is clear: it is to provide a tool for the examination of development consent order applications for network projects, road and rail. The Planning Act, as you know, set up the infrastructure planning process. For the process to work properly, an essential component is an NPS against which applications can be examined. This NPS is overdue, but it will perform its function only if it is as clear as it can be and, having worked out what forms of development it wants to support, such as rail freight interchanges, by making sure that as a tool to be used in the examination of the applications it is as helpful to those projects as it reasonably can be.

Andrew Shaw: The purpose is to enable decision making and schemes to be examined in a way that ensures that the ones that meet policy and deliver the best outcomes are those that are carried forward, but it needs to be absolutely clear.

Jeremy Evans: I think the purpose of it has been explained. The question is whether it is fit for purpose.

Q75 Mr Sanders: Does FOE want to answer?

Naomi Luhde-Thompson: I would agree with what Jeremy said. It has to be fit for purpose in order to work appropriately as a document that an examining authority is going to use to test the project.

Q76 Mr Sanders: Let me ask a similar but connected question. What do you hope the main outcome of the NPS will be?

Chair: Who would like to have a go? What do you hope it will achieve—the main purpose?

Mr Sanders: The main outcome.

John Rhodes: We should all hope the same thing. It should facilitate the delivery of the right nationally significant infrastructure projects. We may disagree about what those are, but its role as a tool in the planning process needs to be understood and distinguished from its role in policy terms. I do not think NPSs generally are intended to bring about a major shift in Government policy. The Government's general policies are well known. The NPS distils those policies for the purposes of examining particular types of applications. There is some flexibility in the way the policy is worded to provide more or less support for particular types of development, but the overall NPS needs to be consistent with existing Government policy.

As a practitioner, my main interest is in the clarity and usability of the document rather than the policy. I understand, I think, what the overall policy framework is. In relation to rail freight interchanges, we already have a supportive policy, but we want to see the NPS take a step forward

and help with the actual implementation of something which I think is agreed as being nationally important.

Q77 Mr Sanders: Does anybody else want to comment?

Jeremy Evans: I concur with the statement of Mr Rhodes.

Q78 Chair: Should High Speed 2 be included in that?

Jeremy Evans: There should be a specific reference to it within NPS as it is clearly a fundamental part of the development of the national strategic network for rail, and how that impacts on developments that go through the DCO process for other rail projects on the classic network. It should be clearly stated how that impacts. The big issue about high-speed rail is what happens at the nodes. How do those stations integrate with the rest of the network in Manchester, Leeds and central London? That involves a lot more projects potentially to cope with the large numbers of people who would be carried on high-speed rail and were being delivered in large quantities at specific intervals.

Q79 Chair: Ms Luhde-Thompson, do you want to say any more about the outcomes?

Naomi Luhde-Thompson: On the outcomes, we are building infrastructure for the long term. We want that to be a good consideration, because these are not short-term decisions but very long-term ones. Low-carbon infrastructure is very important. The Stern review looked at the economic costs of not dealing with decarbonising the economy, so we think that is a very important consideration that should be properly referenced in the national policy statement. I would agree with Jeremy about HS2; the problem is going to be at either end. It is also about what opportunities it has for freeing up capacity. You cannot consider schemes in isolation.

Q80 Chair: How do you think that new technologies, such as driverless vehicles, could shape the outcome of road and rail networks in future?

Jeremy Evans: We very much support the projects that are looking at the platooning of HGVs, for instance, on the national network, and autonomous vehicles. We are a long way away from that making a significant difference to how traffic moves around, but it is certainly something that we need to be investigating and testing, looking at how vehicles are connected with the infrastructure as well, particularly on roads. One of the big issues is how you can improve the performance of the road network by providing information to users about what is happening ahead on their route. It is not just planning before you start the journey. You need the information to be provided during the journey for a road user, so that you can take action and, if possible, divert. There are already satnav products around that can do that. That avoids people just getting a simple message saying there is a problem between junctions 35 and 36, but not telling them what to do as a result of that. What to do is dependent on each individual's journey, where they are trying to get to and their best response to do that. It could be to stay in the traffic jam on the motorway rather than divert to an unsuitable local road, but that is an area where information could very much improve the performance of the road network and its usability, and users' perception of the quality of the network. A lot of options could be developed.

Q81 Chair: Do you think that the statement as drafted takes enough account of those factors?

Jeremy Evans: No. I do not think it takes enough account of what new technology could potentially deliver over, say, the next 25 years. If you look back at what was available 10 years ago, people did not have smartphones. The way technology has developed means you can now have a smartphone that tells you what the best route is as you are travelling along. It is the same in the

public transport network. The phone can tell you whether a bus is due to arrive at the bus stop you are standing at, or whether it is a good idea to get off a particular underground line, because of delays ahead with the signalling. It might be possible in London—it does not necessarily happen in lots of other places—to have some options to go by a different route, so long as you are providing real-time information to users as they are travelling along.

Q82 Chair: Does anyone else want to comment on whether new technologies have been registered enough in the draft report?

John Rhodes: New technology will inevitably help you squeeze more capacity out of the existing road network, but it will not change certain fundamentals, which are that areas that can achieve economic growth need good road and rail infrastructure. A growing economy needs an efficient distribution of goods, which requires a rail network and a network of interchanges. Technology will impact at the margin, but the need for an infrastructure network is still a bigger driver of where investment should be going.

Q83 Martin Vickers: Ms Luhde-Thompson, you are critical of the Government as regards what they say is the demand for an increase in the road network. You used the phrase that they had not adequately demonstrated the need. My experience is that Governments take endless amounts of time assessing need, with computer modelling and environmental considerations, to the point where often demand changed during the period they were considering a previous project. What additional evidence would you like to hear from Government that there is a need?

Naomi Luhde-Thompson: On need, the figures project a huge growth in traffic on roads—they are looking at about a 40% increase—whereas there have been reports by both the Highways Agency and DFT showing that their previous predictions have been far above what has happened. That is why everybody on this panel—I think I am safe in saying—is expressing concern about that particular prediction.

If you are examining a specific project, you are hoping that the promoter has gone through a process beforehand and looked at the hierarchy of transport interventions. Has there been sufficient action, say, on a particular problem that the project is trying to address? Has there been specific intervention on reducing the need to travel? Has there been specific intervention in offering alternative choices? Have there been specific interventions on using the roads more efficiently? You use a hierarchical approach so that the project coming forward has understood its particular need and is focused specifically on addressing that need, rather than a general assumption of need based on a large figure which covers the whole of England, and is looking at specific pinch points, such as are set out in Annex A. There are very specific drivers for the transport issues in those areas. I know from personal experience that, between Liverpool and Manchester, there are lots of specific drivers as to why there are issues on that road network which could be addressed through other means, such as public transport.

Q84 Martin Vickers: If having gone through that process a need had been proven, would Friends of the Earth support a road-building programme to deal with it?

Naomi Luhde-Thompson: At the end of the day, Friends of the Earth is here to try to represent a public interest, I suppose, which is about tackling climate change and getting ourselves to a low-carbon infrastructure. Our assessment is that we do not need an increase in the strategic road network and that there has been insufficient investment in all the other ways of enabling people to get around and move goods and services.

Q85 Martin Vickers: But that seems a slightly contradictory argument. Having said there should be a process for making that assessment, you would still be opposed to the outcome.

Naomi Luhde-Thompson: I suppose I cannot make an assumption. Our reading of the evidence and of the issues that are present in specific local areas like Liverpool and Manchester, or London, is that we need to look at other measures. London has serious air quality issues and it needs to address those. Increasing road traffic is not going to do that. People need to be getting around more in London, but you also have air quality issues. That is why we come to that conclusion. You can see that people need to travel around more, but there are different ways of doing it.

Q86 Mr Sanders: What if we get to an age where all motor vehicles are driven electrically by power that has been generated by non-fossil fuel means? Won't we still need a road infrastructure?

Naomi Luhde-Thompson: Exactly. We think that the electrification of vehicles is a good thing. A lot of infrastructure needs to go with that, particularly if you are thinking about range—distance—and how and when you recharge. Do all our fuel stations need to change? That is quite a long-term change that needs to happen. London might be one of the places where we will see more of that in action. We are not in the business of predicting that a particular road is needed somewhere. That is why the national policy statement should not be assuming there is need but should be looking at what tests the projects need to go through.

Chair: We thank all of you very much.

Examination of Witnesses

Witnesses: **Robert Goodwill MP**, Parliamentary Under-Secretary of State, Department for Transport, and **John Dowie**, Director of Strategic Roads and Smart Ticketing, Department for Transport, gave evidence.

Q87 Chair: Good afternoon, and welcome to the Transport Select Committee. Minister, I understand you want to make an opening statement.

Mr Goodwill: Perhaps I could make a few comments. I am joined by John Dowie, who will be able to chip in if some of the more technical questions that you are bound to ask are beyond my knowledge.

Although the consultation has finished, we are still considering responses to it. Indeed, we expect to be in a position to report in the autumn, so the timing of this Committee's investigation is perfect. We look forward to reading your report and responding to the points in it.

The draft national policy statement for national networks is a planning policy statement for schemes going through the development consent order process under the Planning Act. This is a planning statement; it is not intended to be an overarching transport strategy, or indeed an investment strategy. It provides in one place clarity and certainty on Government policy on the need for nationally significant infrastructure projects, and the way in which these developments will be assessed.

Up until 2030, under central forecasts road traffic will increase by 30% and rail journeys by 40%, and rail freight has the potential nearly to double. Without action, this will mean slower and more congested journeys. The desire for growth is balanced by a significant package of measures to protect the environment and support sustainable transport.

We believe that the clarity and certainty provided by the national policy statement for national networks addresses a key concern of scheme developers and promoters, and it demonstrates this

Government's commitment to deliver the infrastructure and investment the economy needs for continued growth, by making the planning system easier to navigate.

Q88 Chair: You say it will make the planning system easier to navigate, but what effect will this policy statement actually have? What difference will it make? Can you give me an example of things that struggle to happen now but that would be treated differently under this policy?

Mr Goodwill: In the same way, we already have statements in place for things like power station development, which is very important, where local issues in terms of the siting of the plant, the connections and all the other issues need to be considered, but that does not mean every single planning inquiry for a nuclear power station needs to consider the overarching global issues to do with CO₂ reduction and the country's energy mix.

Let's say we are going to build a bypass around a market town in north Lincolnshire, and a number of groups are against it. While it is absolutely important that local considerations about air quality and the effect on habitats are taken into account, there should not be an opportunity posed by the planning inquiry to open up the whole debate on the emissions strategy for trucks, the overall issues about how the country addresses its CO₂ obligations and the forecasts that have been made for overall traffic and other demand for transport in the country. In my view, it means that you will be able to focus on the local planning considerations at that inquiry, and not allow a wider discussion. It is very important that we stop the ice caps melting and that we protect polar bears, but a planning inquiry on a bypass round a small market town in north Lincolnshire is not the place for it. That should be for this statement, which looks at our overarching planning considerations and our forecast for transport. Therefore, that can be taken out of the process to allow the local planning inquiry to look at the local issues that are most pertinent to that inquiry.

Q89 Chair: What difference would that make in terms of time taken to consider a decision? In the sort of scenario you have just described, what difference would it make in terms of time to secure support for, or maybe rejection of, a very significant scheme where there was local opposition?

Mr Goodwill: It will certainly enable the inquiry to carry out its work in a more timely way.

Q90 Chair: What is the difference in time? Are we talking about weeks, months, years?

Mr Goodwill: It would depend on whether you were considering something very big, like Heathrow terminal 5, or a bypass, but it would certainly mean you would not have a large influx of people using that inquiry as a route whereby they could exercise their views on more global or national issues in a way that I strongly believe would not be helpful to that local decision-making process. I believe it would greatly focus the planning inquiry on the local issues. Let's look at the Newbury bypass as an example. It is a way back and I know that many of the delays were due to protests on the ground, but that inquiry looked at a whole range of issues that had nothing to do with Newbury, the traffic pressures and the need of local people to have their environment in the town improved and the bypass built.

Increasingly, I get the impression that any opportunity is taken to visit an inquiry or process of this sort. There are some very well-funded organisations out there, who have every right to make their views known, but they should be doing that at the level at which it is important, not descending on a local planning inquiry to try to argue that we do not need any more cars on the road, as I think you have just heard, or that the forecasts the Government have made are not correct and we should be using different forecasts, and inviting the planning inquiry to visit the forecasts of demand for transport, population growth, the price of oil and all the other forecasts that the Government make, which are, quite rightly, part of this statement and should not be part of the local planning inquiry.

Q91 Chair: Specifically in relation to forecasts, we have had a lot of representations saying that the forecasts are inadequate. Are you going to revisit that?

Mr Goodwill: Forecasting road traffic and rail passenger demand is very difficult given the challenges in predicting growth in the population, travel behaviour, the economy and oil prices. Our view is that we should not focus on a single prediction but plan and invest for the future based on a range of scenarios. Our lowest forecast for road and rail growth is based on low population and on economic growth, and suggests a substantial increase in traffic and rail over the coming years. Forecasts from such strategic models are not used in justifying individual schemes; these are assessed more by using mode or location-specific models designed specifically for that purpose.

In terms of the reliability of forecasts, we believe that the Department's national transport model has not systematically overestimated traffic; it has over and under-forecasted traffic, and this reflects past over and under-forecasting of the key underlying drivers of traffic, for example, GDP, population growth and fuel prices, which are themselves uncertain. While forecasting road traffic demand over decades is difficult, our forecasts perform well when the trends in those underlying drivers are accurately captured. There is a chart on page 11 of the national policy statement for national networks which illustrates this point. The NTM has successfully forecast the trends in traffic since 2003, and the forecast for 2010 was within 1.3% of observed traffic data.

I understand that traffic in London is not representative, but even our lowest forecast for traffic growth suggests a substantial increase in traffic levels over the next 25 years, and we have made similar forecasts for rail demand and rail freight.

Q92 Chair: I think that means you are not going to change how you do it.

Mr Goodwill: We are not going to write these forecasts in stone and not respond to events that may change. If the price of oil were to double or population growth did not follow the trend we expected, or if for some reason older people no longer used their cars into their ripe old age because of insurance issues, we could certainly revisit that. Mr Dowie might want to come in to explain how we do that. This is a 20-year forecast, but we are not going to leave it on the table for 20 years without revisiting it.

John Dowie: As an ongoing process, we keep looking at the traffic forecast and the various assumptions we use and how the model works. It is an ongoing learning process. Some groups have rightly flagged up that the model's accuracy in terms of what is going on in London looks weaker than at a national aggregate level. Clearly, that is something we will be looking at. We are not freezing the traffic forecast and the numbers once and for all in this document.

Q93 Chair: It is an ongoing process.

John Dowie: Yes, but we are just trying to avoid spending weeks at a public inquiry debating the inner workings of the model.

Q94 Mr Sanders: Minister, can I get this right? From what you are saying, carbon emissions, for example, will play no part in any local planning inquiry.

Mr Goodwill: CO₂ emissions do not present a localised issue. CO₂ is a diffuse level of pollution. It is of great concern that we have rising levels of CO₂, and that is something that Government at national level can address, but whether or not you build a road or railway, or whether you electrify a railway, has no impact on local people in terms of CO₂ emissions. That is not the case with nitrogen oxides or particulates where there are very real concerns that the planning inquiry needs to revisit. There are important issues in connection with air quality that will need to be addressed at a local level in relation to a road improvement scheme. Going back to the bypass in north Lincolnshire I was talking about, I suspect that people in the middle of town who will not have

heavy trucks thundering by will want to make particular points about air quality, because the localised air quality in the middle of town will be very much improved by that scheme. CO₂ is a matter that I believe rightly rests with the statement and national Government policy to take steps to address all means of reducing it.

Q95 Mr Sanders: There is a report out today by the United Nations Intergovernmental Panel on Climate Change II. I would like to know if you will take into consideration the conclusions of that report, and that you will actually change your NPS if it is clear that the evidence is that there is a need for change, because what happens locally directly impacts what happens nationally. You cannot opt out of climate change at a local level.

Mr Goodwill: No, but, for example, the move we have agreed at a European level in terms of the introduction of biofuels has meant that you improve the performance of your vehicle fleet across the board, which is not a local issue. We are putting serious amounts of money into ultra-low emission vehicles. My officials tell me I should not say that the uptake of electric vehicles has been disappointing, but it has been disappointing, and I am keen that we should make further progress. There are a number of reasons, which I will not go into, why that may be, but the more electrically charged vehicles we can have, the better. In parallel, the more sustainable we can make our electricity generating system in this country, the more it will contribute to that.

I do not believe it would be helpful at the planning inquiry for the north Lincolnshire bypass if we have Greenpeace, Friends of the Earth and other organisations, who have a very useful role to play and whose message is one that Government listen to, arguing that that bypass should not be built because it may adversely impact on CO₂ and therefore on global warming. I believe that is not the level at which that debate should be carried out. There are many external factors, such as biofuels, the efficiency of vehicles with conventional engines, ultra-low emission vehicles and the impact of the electrification of the rail network, for example. The Government are doing all sorts of things. We are determined to reduce our CO₂ emissions and meet the targets we have agreed to, but arguing on the floor of the public inquiry in that little town in north Lincolnshire is not the place where that debate should take place. I think it would detract from the importance of that inquiry in listening to local views and taking decisions.

Q96 Mr Sanders: There are people who take a completely contrary point of view. Locally is exactly where the debate needs to happen.

Mr Goodwill: There are, but I would not agree with them.

Mr Sanders: And I don't agree with you.

Q97 Graham Stringer: I agree with you, Minister. I do not think that at every small public inquiry the future of the earth should be discussed; it should discuss local issues. However, the Balfour Beatty evidence indicates that they think you have got it wrong, because various European directives, in particular the environmental impact assessment and the habitats and water framework directives, mean you will have to look at alternatives and therefore get into that more universal debate. Have you considered that? What is your answer to the Balfour Beatty point?

Mr Goodwill: In the planning decision-making process on a local transport scheme, or even a slightly larger transport scheme like the widening of a major lump of road, or the A14 Huntingdon bypass that we are embarking on, all the European directives would apply. If important habitats were along the line of route, there should be a debate on the impact that development would have on that particular habitat. Therefore, I do not believe that going about our business in this way would detract in any way from those directives having to be applied. I am not really sure how that could be seen as undermining any of the environmental considerations that need to be taken into

account. It would mean that you would not want to revisit the whole area of how sites are designated and how the directives are being applied in the UK or other member states. If Balfour Beatty are trying to say that we are undermining the application of these directives by going about it in this way, I do not agree with them. Maybe Mr Dowie can come in.

Q98 Graham Stringer: Before you bring in Mr Dowie, I am just trying to interpret what Balfour Beatty are saying. I think they are saying that you would not necessarily ignore the protection given by these particular European directives, but that the process you are supposed to go through in dealing with them would essentially open up the whole universal debate again and, if you did not, you would be subject to legal challenge. I suppose the core of the question is: will this policy statement protect you from legal challenge on that basis?

Mr Goodwill: Anything we do is open to legal challenge, as we have seen from the High Speed 2 project. Not all those legal challenges are successful. We are not in any way suggesting that none of the EU directives, whether it be the water framework directive, the habitats directive or the designation of Natura 2000, would be applicable where a scheme impinged upon them and they were applicable. What we are saying is that there should not be an opportunity at the planning inquiry to revisit the whole directive and have a blue skies debate about those issues.

Q99 Graham Stringer: Mr Dowie, does that cover it?

John Dowie: There is perhaps a distinction that has caused a bit of confusion in looking at strategic alternatives: for example, whether there should be a completely different transport policy at national level. That, we are explicitly saying, is not the proper subject matter of a local public inquiry, but, consistent with EU and other national requirements, it is right that a local inquiry should think of local alternatives: for example, different route alignments and why they have been discarded as part of the development of a scheme. That is rightly the subject matter. In the light of comments received, we will need to reflect on the extent to which, if at all, carbon features at that very local level. If it does—that is an open question—we need to be very careful that it does not do what Balfour Beatty are talking about, which is providing a back door into national policy and international debate, which is clearly not appropriate.

Q100 Graham Stringer: Can I suggest that you do not refer to carbon dioxide as a pollutant? It is essential to life.

Mr Goodwill: That is true. In the context of global warming, it is a difficult one.

Q101 Chair: Could you clarify what you are saying about national issues and local concern? There are legally enforceable limits, are there not, on carbon? It could be that local decisions are very relevant to national cumulative emissions. How would that be dealt with?

Mr Goodwill: It could be argued that, for example, the bypass we are building round that north Lincolnshire town could take the most direct route through ancient woodland, or it could take a longer route around that woodland but therefore result in more CO₂ being emitted by the vehicles taking that longer route. Similarly, there could be a suggestion that a tunnel could be built under the ancient woodland, which would in itself create a lot of CO₂, because digging tunnels and having a lot of embedded steel and concrete in the tunnel would increase CO₂. Maybe what Mr Dowie is saying is that, as far as the CO₂ impact of the project can have a local effect, that would be a local effect, and I suspect that would be the type of consideration that should be within the remit of the planning inquiry, but not necessarily revisiting the whole Government transport strategy in terms of increases in vehicles and suggesting, for example, that we should have a road charging policy that would be an alternative to the bypass; we could reduce the number of cars going through that market town by making it more expensive, and therefore poor people would not use their cars. I do

not believe that is what should be discussed at that planning inquiry, but I know there are plenty of people who would love the opportunity at dozens of locations around the country to open up that debate and bring those factors into play.

Chair: We are just trying to clarify what has been said.

Q102 Martin Vickers: I do not know where this mythical north Lincolnshire village is. Is it in my constituency?

Mr Goodwill: I think Liverpool and Manchester have bypasses of a sort already, so I picked on that.

Q103 Martin Vickers: I can think of many villages in my constituency that would like a bypass, one of which has been debated since 1935. Can I go back to the time scales and continue the debate about the habitats regulations and so on? Would you like to see the whole process time-limited, because we get endless re-hearings: first, there is a planning committee, then a planning inquiry, then it could come to the Minister, and so on. Should there be one forum in which people can put their case and then it can be determined?

Mr Goodwill: Local authorities do have a time scale on which they have to consider applications, and the time taken to consider an application and get it to appeal can depend on a whole variety of issues. I am rather reluctant to mention the Mottram-Tintwistle bypass, but that was a very long inquiry, in large part due to the lack of effective communication and research from the Department. That took a lot longer than was thought. By focusing these inquiries on issues pertinent to the particular case we will see a shorter process.

Many local people who have been campaigning for their bypass for many years will not take very kindly to being descended upon—I am tempted to say—by every Swampy in the world. That is not the way I would view environmental groups, who do a good job, but they would view them possibly in that way. They would find that the inquiry into their bypass that they had been campaigning for for years had been delayed by people wanting to discuss a whole variety of issues that were nothing to do with the particular bypass under consideration. This should ensure a more timely decision-making process, but we certainly would not want to limit the capacity of the inspector at the appeal to allow local people to make their points.

Q104 Chair: Mr Dowie, you said earlier that the Department would be looking again at road traffic in London. Could you tell us what you mean, and what is going to happen?

John Dowie: This is part of the ongoing work of the Department on traffic forecasts. It is not fixed in time. We look at a range of issues in terms of—to be technical—the elasticities within the model and how economic growth, population growth, changes in fuel efficiency and other factors all feed in to produce traffic growth. It is a bit like painting—or it used to be—the Forth road bridge; it never really stops. One issue that has been flagged up by critics of the model outputs is that, although we do a pretty good job of getting national traffic growth in aggregate, in terms of what we say should be happening in London we are a bit distant from what is actually happening in London. That is one issue that we will pick up in our forward work programme.

Q105 Chair: When will that be? Will that be by the time the statement is due for designation?

John Dowie: It is no easy matter. It is going to take some time to resolve.

Q106 Chair: What does that mean—months, years?

John Dowie: It is not a primary issue for this statement, because the importance of this statement is in terms of the national traffic forecast—the aggregate forecast. There are very few major Highways Agency roads within the M25, or roads that would be covered by the national planning statement, within the terms of the—I am sorry. Could you repeat your question?

Q107 Chair: When is this work going to be done?

John Dowie: In terms of the national planning statement, this is focused primarily on aggregate forecasts; it is not going to be particularly in London. Any road scheme coming forward would have its own local forecast, which the sponsoring authority would do specific to that scheme.

Q108 Chair: Is this everywhere, not just London?

John Dowie: A normal Highways Agency scheme or a rail scheme coming forward to the planning authorities would be backed up by a lot of analysis in terms of the effects of the scheme, including a local traffic forecast. There will be relevant local information coming forward reflecting local circumstances. I do not see the limitations of the traffic model in London, for example, being material in our progressing this national policy statement.

Q109 Chair: What is the proposed timetable for designating the statement?

John Dowie: We are aiming to do that this year.

Q110 Chair: This parliamentary year.

Mr Goodwill: Yes. I said in my opening statement that we are hoping to finish the process in the autumn, and this Committee's report is very timely in that regard.

Q111 Chair: Are you anticipating any changes?

Mr Goodwill: There are a number of issues we need to look at. One of them is in connection with the resilience of our national networks. The Highways Agency network has stood up very well to the recent bad winter. Generally, it proves particularly resilient; even when we have bad winters, we are now much better at clearing roads and having enough salt in stock, but events such as the recent flooding could generate requirements for investment to enable reliable and safe journeys. I am thinking particularly about the south-west of the country, not only in terms of the resilience of the rail network but ensuring that the road network, which may be pressed into service should we have a problem with the rail network, is also there. We will be considering whether any changes in the draft national policy statement for national networks are needed to clarify that particular issue.

Similarly, we have talked about the whole area of CO₂. We need to see how we can clarify, and understand better, the difference between the national CO₂ targets and what we do nationally in terms of power generation, alternative fuels, cleaner vehicles and so on, and maybe the effects on a more localised basis. But that would not be done in a way that would open up the whole debate in every planning inquiry around the country as to whether we have the right mix of energy between nuclear, coal and renewables, so that vehicles running on that new bypass using electricity would be able to improve their performance in terms of CO₂.

The whole point of having consultation, if it is done properly, is not that you make up your mind, you have a consultation, then you tell the people you have listened to them but you don't change it. This is a genuine consultation, and Committees like this will feed in their views and we will take them into account, as indeed the points made by Balfour Beatty that were referred to; we need to look carefully at those to ensure that they are correctly responded to. If we do not do that, we open ourselves up to all sorts of judicial reviews and challenges, with people going to the European Court and everything else, which is not to anyone's benefit unless you are a lawyer.

Q112 Chair: One point that has been made to us by a number of respondents is an allegation that you have not taken into account the potential of new technologies to affect traffic flows. Is that something you accept?

Mr Goodwill: There are some very exciting new technologies in the pipeline. As was mentioned in the previous evidence session, lorries travelling very close together can increase the capacity of a road; driverless cars can ensure more reliable journeys; and there can be better utilisation of the network. On the railway network, we already have new technology. We have better signalling systems with automatic train protection, which means that trains can travel more closely together. The High Speed 2 network will enable trains to travel at great speed substantially closer together than they would have in years gone by.

In other ways, technology has increased demand for transport. We were told that the internet and the possibility of video-conferencing would mean that nobody would ever need to go to a business meeting; we would all sit in a room and look at our colleagues on screens. That has not been the case. People still want to do face-to-face business. People still come in to have meetings. The internet has also created a tremendous amount of demand for both business and leisure travel. In the past you booked your holiday six months in advance. You phoned up the tourist information centre in Torquay; they gave you a hotel number and you rang it and made a booking. Now you can go online on a Thursday evening, after seeing the weather forecast for Torquay—although I would suggest that a resort in Yorkshire would be more appropriate—and in an instant you can book a hotel and your rail journey.

Q113 Chair: But have you taken account of these sorts of phenomena in the forecasts?

Mr Goodwill: The projections we make for transport demand look at trends and how they may continue. Everything we have seen shows that our forecast of increasing demand for rail, road use and rail freight, despite—or maybe because of in some cases—the new technologies coming into play, will continue to rise.

Chair: Are there any other questions from members? Thank you very much.