



Department
for Transport

From the Secretary of State
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Lord Moylan

Built Environment Committee
House of Lords
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Dear Lord Moylan,

Public Transport in Towns and Cities, Built Environment Committee inquiry

Thank you again for your 'Public Transport in Towns and Cities' report, and for your subsequent letter regarding regional transport spending and the Department for Transport's post-project evaluations.

Regional transport spending

In your letter, you asked whether the Government considers spending per capita to be a relevant metric in the context of its levelling up ambition for transport; and, if not, which metrics the Government is focusing on. The Levelling Up White Paper was accompanied by a Technical Annex which set out the preliminary set of metrics for measuring progress against the Levelling Up missions. These included measures considering the modes of transport that individuals use to travel to work and bus punctuality. As set out in the Technical Annex, my Department is also developing a new measure to estimate connectivity between regions and places.

Your letter also asked whether it is the Government's intention to reduce the disparity in spending per capita on transport. As a metric, spending per capita does not directly account for benefits that accrue to users beyond the area of the intervention. This can limit the usefulness of transport spending per capita as a metric, especially in the context of spending on the railways and national roads, which connect different cities and regions and spread benefits across the country.

Regarding your question about London's expenditure per capita on transport, it is indeed the case that Transport for London operates on a blended funding model, drawing funding from a variety of sources including fares, road user

charging and commercial activities, Business Rates Retention and grant funding. The Mayor also has wide ranging powers to raise revenue, such as through the Mayoral Community Infrastructure Levy and Council Tax. Regarding the transferability of these financing methods to other local authorities, investing in local growth and supporting people across the UK to thrive is core to this government's Levelling Up agenda.

In the Levelling Up White Paper, the Government committed to publishing a funding simplification plan (which will be published in due course) for delivering a simpler, fairer, more transparent and accountable system for local authorities across the UK. Recent devolution deals have also given places greater fiscal powers, for example powers for a Mayoral precept on Council Tax and borrowing powers for some Combined Authorities. The Levelling Up White Paper committed to offering devolution deals to all areas of England that want one.

You also requested clarification regarding how and why spending is allocated to specific regions. The Government's Country and Regional Analysis attempts to allocate expenditure on the basis of which region benefits, rather than the area of the intervention. Where the benefit cannot realistically be apportioned to regions, expenditure is classed as 'non-regional'. Only a small proportion of transport spend (around 2% of total) tends to be classified in this way.

Post-project evaluation

My Department notes your disappointment regarding its response to the Committee's report, in the context of post-project evaluation. The Government agrees with the Committee that post-project evaluation is crucial. My Department has invested substantially in evaluation over the past decade and has published regular updates; most recently the evaluation strategy and programme of 2022, which the Committee has reviewed. These documents provide a high level of transparency about evaluation plans, projects and findings. They explain how we aim for proportionate evaluation, prioritising activity to ensure it matches the need and opportunity for good quality evidence, thereby maximising value for money. Where we conduct evaluations, we aim to do this to a high standard, using significant resources, so it produces good-quality evidence to inform future investment decisions across our portfolio. We also work with local authorities and partner organisations to develop evaluation frameworks for the projects they deliver and build their evaluation capability.

You asked how the Department for Transport balances its priorities for evaluation. My Department makes a judgement about how to balance its priorities for evaluation (scale of investment, strategic importance and contribution to the evidence base) on a case-by-case basis depending on the evidence need. We have introduced evaluation specialists into policy teams

so that decisions about prioritisation can be taken in a timely and collaborative way. Our evaluation strategy and programme shows that there is substantial work planned around programmes of demonstrable strategic importance and cost.

Finally, you asked, with reference to its evaluation strategy, how my Department defines “high value” projects. This reference to high value alludes to the fact that all projects that form part of the Government Major Projects Portfolio (as determined by the Infrastructure Project Authority; the Government’s centre of expertise for infrastructure and major projects) have evaluation and benefits management plans. Progress with evaluation of those projects is reviewed regularly by my Department’s Investment Portfolio and Delivery Committee. In addition, we liaise with the Evaluation Task Force (a central Cabinet Office and HMT unit) about our evaluation activity for the top areas of departmental spend. Beyond the Government Major Projects Portfolio and the highest-value projects, our programme also includes other projects identified as evidence priorities, such as local major road projects, active travel programmes, the Inclusive Transport Strategy and the Safer Roads Fund.

I hope this response adequately addresses your concerns and questions. Thank you again for your engagement with these areas of transport policy.

Yours ever,

A handwritten signature in black ink, appearing to read 'Mark Harper', with a stylized, cursive script.

The Rt Hon Mark Harper MP

SECRETARY OF STATE FOR TRANSPORT