

## **Written evidence submitted by London Borough of Lewisham Council (MTP0031)**

### **1. Background**

The London Borough of Lewisham welcomes this opportunity to respond to this call for evidence on appraisal and delivery of major transport projects.

This submission considers evidence and perspectives from the Council's extensive casemaking and lobbying for the Bakerloo Line Extension, a proposal which would extend the existing Bakerloo line along the Old Kent Road to Lewisham and potentially Hayes. With just 7 of 270 London Underground stations in southeast London, this project would be critical to level up growth and opportunity for some of the most deprived areas not only of the capital, but of the country.

Initiated by then-Mayor Boris Johnson, the project remains a priority of Mayor Sadiq Khan subject to agreement with government on a funding package.

Our submission responds to the following points from the call to evidence:

- The Government's transport infrastructure priorities, including those set out in the National Infrastructure Strategy;
- To what extent the coronavirus pandemic and its longer-term implications affects the necessity and cost-effectiveness of current and future major transport infrastructure projects;
- The effectiveness of the Government's decision-making and appraisal processes for transport infrastructure projects and any changes required to the 'Green Book';

We would welcome the opportunity to further discuss the content of this case with the Committee, or make available referenced evidence on which our submission is based.

## 2. The Government’s transport infrastructure priorities, including those set out in the National Infrastructure Strategy

The London Borough of Lewisham welcomes the government’s aspiration for investment in infrastructure to “spread opportunity” as a driver of transformational social and economic change. As the only inner London borough without an Underground station, this aligns with our own aspiration for the Bakerloo Line Extension (BLE) which would spread opportunity to our borough and southeast London, whose transport network lags behind the rest of the capital.

Our support for the Bakerloo Line Extension underpins our plans to tackle the key public policy challenges which face us, including deprivation, unemployment and housing delivery and affordability. Our Local Economic Impact Assessment (further detailed in section 3) finds that the investment would unlock a £11.7bn direct economic benefit over 10 years along the route through some of London’s (and Britain’s) most deprived communities. Benefits would include 12,000 construction jobs, 18,000 permanent jobs (in 310,000 sqm of new commercial space) and support for delivery of 47,500 new homes along the route.



### The case for economic rebalancing within London

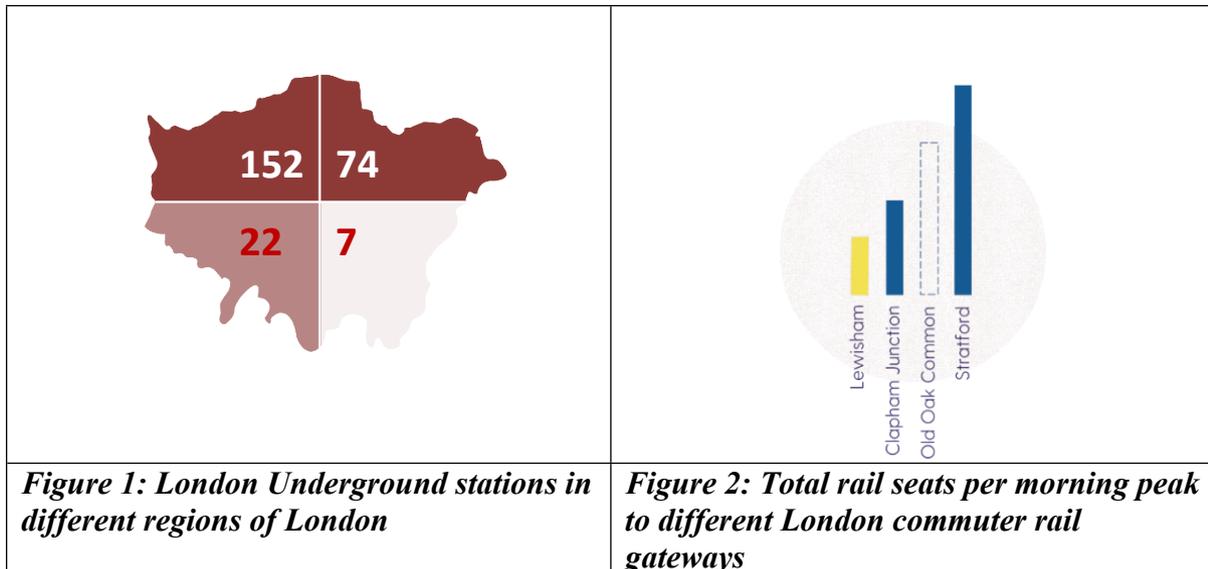
Whilst we are supportive of the concept of ‘levelling up’ we are alarmed that current government strategy to pay greater focus on delivering opportunity to ‘left behind’ areas focuses exclusively and explicitly on areas outside London. This approach completely ignores vast intra-urban inequalities within London, with enormous gaps in opportunity and outcome between different parts of the capital.

Southeast London is by far the outlier in terms of connectivity to central London. With just 7 of 270 London Underground stations in our region of the capital (only 3 of which are outside of Zone 1), transport and growth depends primarily on congested and slow National Rail services and buses, a situation more comparable than regional candidates for levelling up (such as Leeds) than areas of London north of the Thames.

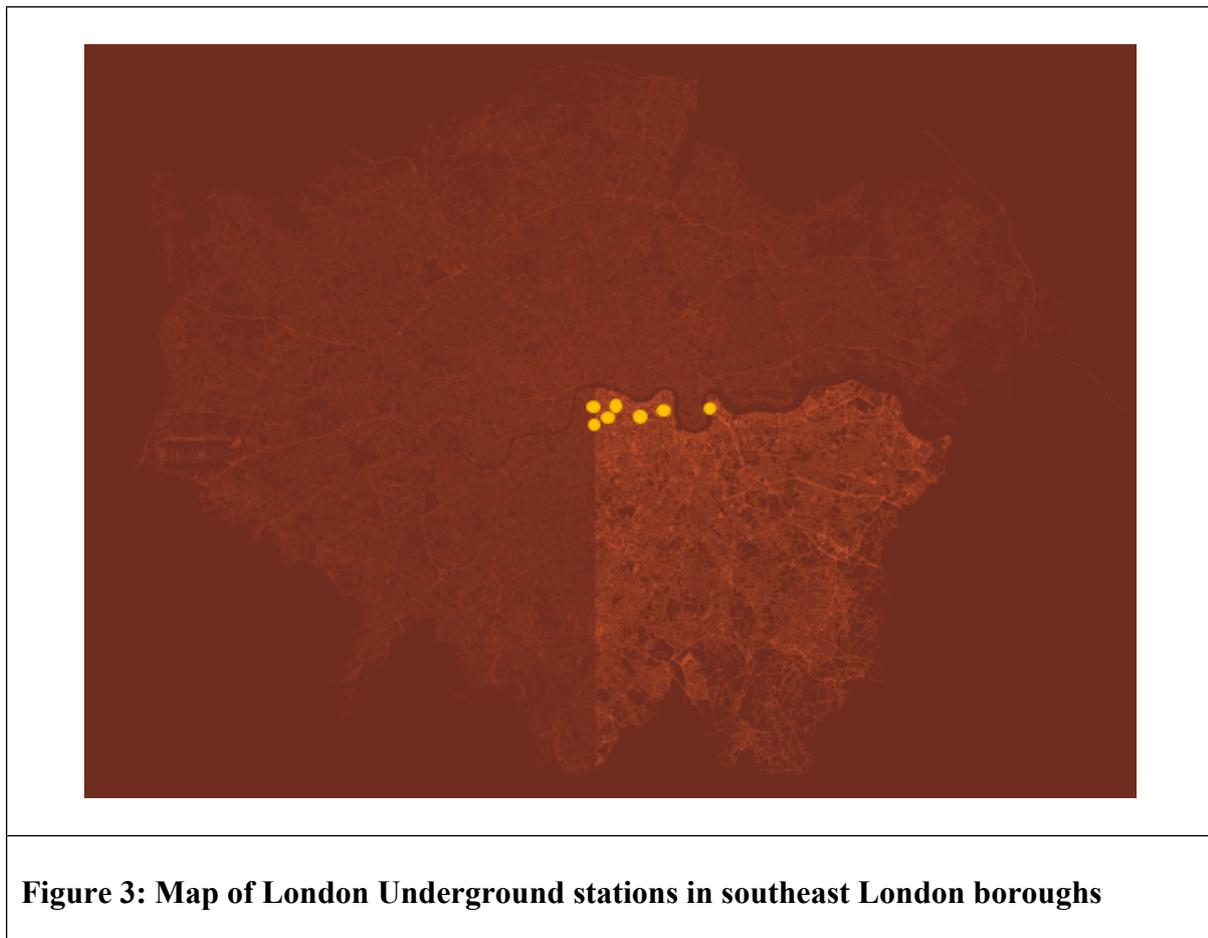
Given London’s reliance on public transport, this disconnectedness has real impacts on opportunity. For example, a resident in the south of Lewisham borough has access to just 6% of employment opportunities in the capital within a 45 minute journey time, less than a quarter of those available to a resident of Colliers Wood, a tube station an equal distance from the West End (Source: TfL TIM Modelling).

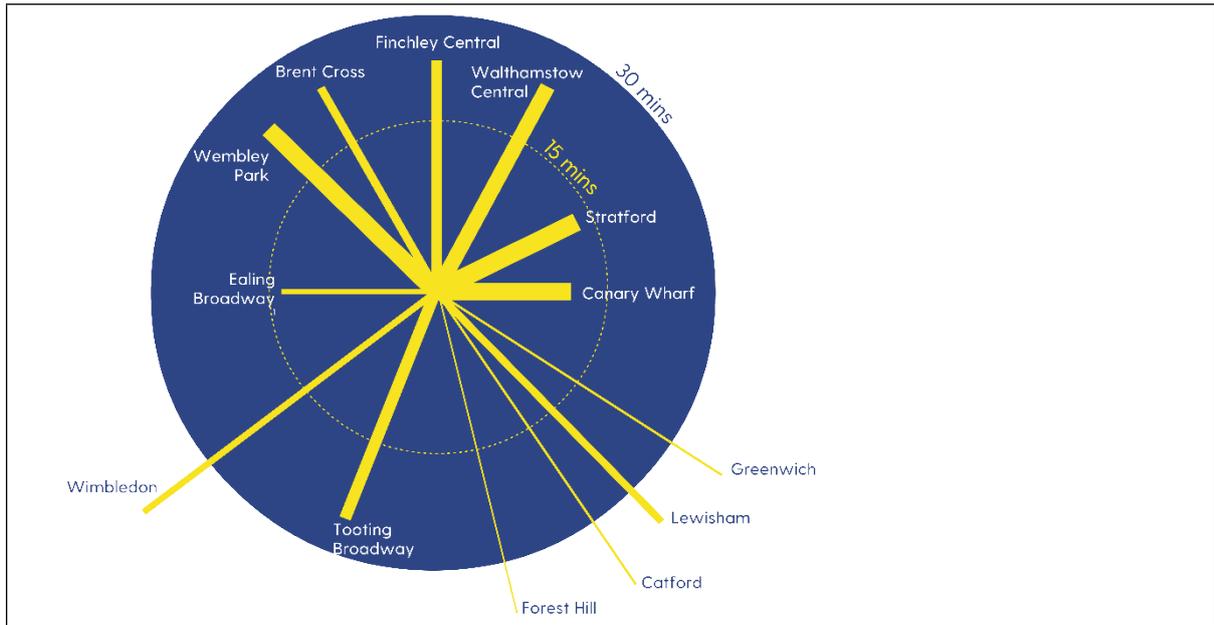
### Left behind southeast London

The below evidence, taken from our own casemaking for the Bakerloo Line Extension, demonstrates just a few graphical examples of the extent to which southeast London is left



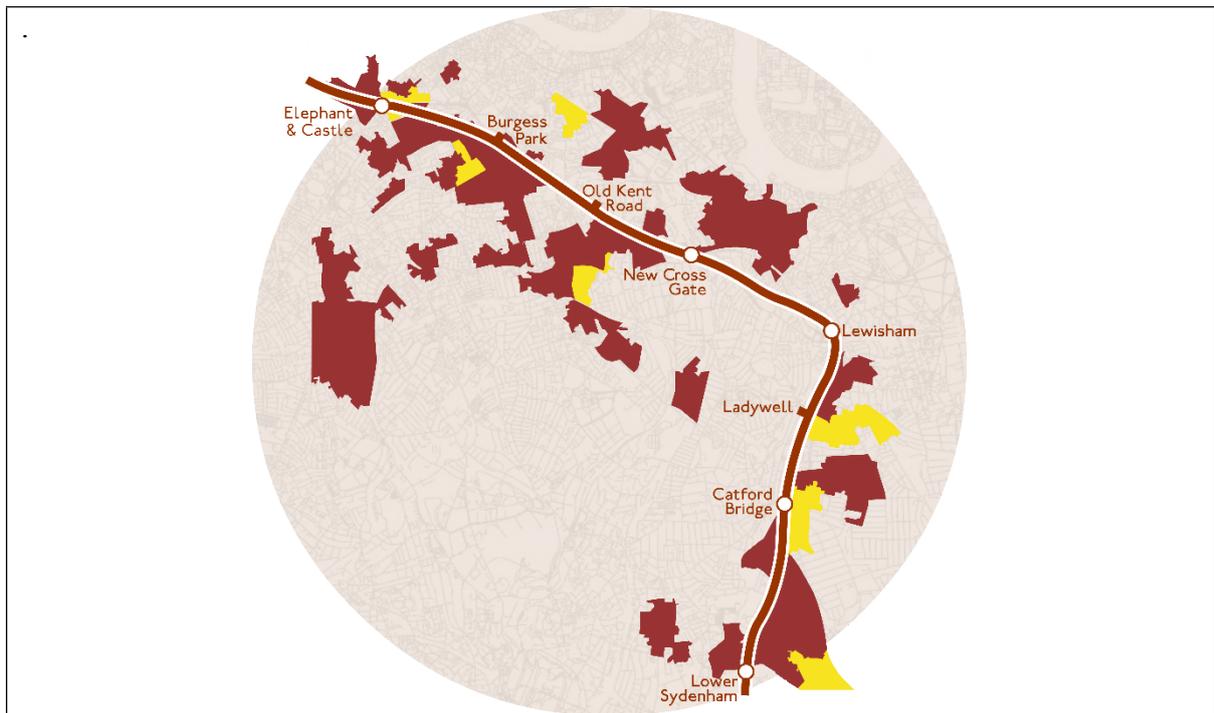
behind both in the context of the rest of the capital and poorer areas of the country.





**Figure 4: Equivalent 10km (approx.) journeys from Oxford Street including journey times (line length) and frequency (width).**

### Deprivation along the Bakerloo Line Extension corridor



**Figure 5: The Bakerloo Line Extension route with areas in the top 10% (yellow) and 20% (dark red) most deprived in the UK (based on the Index of Multiple Deprivation). Many of these correlate with poor access to transport, including the Old Kent Road and south of Lewisham borough (Catford Bridge and Lower Sydenham) which lack high frequency rail access**

### **3. To what extent the coronavirus pandemic and its longer-term implications affects the necessity and cost-effectiveness of current and future major transport infrastructure projects**

Lewisham Council shares the optimism of the National Infrastructure Strategy that cities and agglomeration will continue to be critical to Britain's success in the global economy.

Continued housebuilding interest in our borough and acknowledgement of the continued value of physical proximity to value added gives us confidence that public transport will continue to drive housing, investment and employment creation in the capital – even if trends around home working present challenges for projects focused principally on capacity.

Given the long term nature of the Bakerloo Line Extension and its focus on connectivity – rather than only capacity – we are confident that the impressive economic potential of the scheme remains undimmed. Our Local Economic Impact Assessment (2020) found:

#### **Employment and skills**

The BLE will generate employment both in short term construction and permanent jobs in new development along the corridor. Specifically:

- An average of 6,000 jobs during construction of the line, plus another 18,000 in the national supply chain
- An average of 7,500 jobs in construction of new housing and commercial space unlocked by the Bakerloo line extension, with another 16,000 in the national supply chain
- Almost 18,000 new jobs in new commercial space catalysed by the delivery of the line.

These numbers reflect those opportunities currently identified in the direct catchment area over a 15-20 year timeline, not considering the wider and longer term impacts, plus any 'game-changer' opportunities that the Bakerloo line extension might bring about.

#### **Local housing impacts**

The Bakerloo Line Extension will support the delivery of 47,500 new homes, including affordable homes in southeast London growth areas, including the Old Kent Road, New Cross, Lewisham, Catford and Lower Sydenham.

#### **Wider transport and economic effects**

New interchanges at New Cross Gate, Lewisham, Catford Bridge, Beckenham Junction and Elmers End will further enhance connectivity, increasing frequencies, reducing journey times and opening up new journey opportunities across the southeast London region, including at 63 national rail stations which are a single connection from the line. This will be key to increasing access to employment and skills, attracting inward investment, and housing delivery not only along the corridor but across a much wider area of the capital.

#### **A coordinated and credible plan for growth**

Lewisham Council, working closely with Southwark Council, TfL and the GLA has been working to plan and coordinate growth along the route, including site masterplanning and the commissioning of a Local Economic Impact Assessment. The scheme won a Planning Award in 2020 for the joint working between Lewisham Council, Southwark Council, Transport for London and City Hall in coordinating development of the infrastructure scheme with housing and economic regeneration.

#### **4. The effectiveness of the Government’s decision-making and appraisal processes for transport infrastructure projects and any changes required to the ‘Green Book’**

We draw the Committee’s attention to two challenges in current appraisal and decision making on major infrastructure schemes which hinder the true potential of the scheme being factored into appraisal and prioritisation.

##### **a. Consideration of opportunity and spatial inequalities in prioritisation**

We note that past projects in London have been driven principally by tightly defined goals related to journey times and economic objectives. For example:

- The case for Crossrail is driven by capacity and connectivity between key economic nodes, specifically Heathrow Airport, central London, the City, Canary Wharf and Stratford.
- The case for the Northern Line Extension relies on geographically narrow economic returns for the Thames-side Battersea Power Station and Nine Elms developments.
- Looking further back, the Jubilee Line Extension and development of the DLR were both primarily driven by the narrow economic returns in Canary Wharf and the Docklands, although its eventual legacy has been far wider.

While these projects have been (or will be) transformational for the economic geography of Britain’s capital, they have tended to focus on improving connectivity and opportunity and economic returns for areas which are already relatively well connected, reinforcing spatial inequalities in the capital.

We are strongly supportive of efforts to target future investment so as to tackle spatial and economic inequalities. We do however fully reject that, having been disadvantaged by the current appraisal and prioritisation methodology, London should be excluded from current infrastructure funding. Such a decision would be devastating to our efforts to tackle the historic spatial and economic injustices that have seen southeast London left behind the rest of the capital.

##### **b. A greater role for the ‘bigger picture’ in decision making**

In the context of levelling up, major infrastructure schemes such as HS2 and Northern Powerhouse Rail have been advanced not only on the narrow transport or short-term economic business case, but in the faith that such projects can catalyse long term economic transformation. To take an example from High Speed Two Ltd’s recent “Realising the potential” publication,

*“HS2 is an amazing opportunity, with huge potential to completely reshape not only the way we travel across the UK, but also the future of our economy, our communities, our regions and our local places.<sup>1</sup>”*

The legacy of the Jubilee Line Extension (JLE) provides a fantastic and highly relevant example of this in the context of a major tube extension. Now seen as enormously successful, the JLE was originally approved based on the narrow identified benefits with a Benefit Cost Ratio (BCR) of 0.95:1. Yet within two years of opening had a ratio of 1.75:<sup>2</sup>, having already catalysed an economic transformation way beyond what was already narrowly predicted. We

are aware of no further assessment done since then, however it is clear that the transformative benefits of the scheme has dwarfed the original projections, with the success of Canary Wharf's business district, housing growth in the docklands and regeneration of East London that it has catalysed. This experience calls into question the value of relying primarily on a BCR to make decisions on transport megaprojects with such an enormous but often unpredictable and difficult-to-calculate impact.

The key learning here is that appraisal of the broader strategic opportunity needs to be factored into appraisal and decision making. Clearly in the early 1990s it would not have been possible to predict with certainty the long term scope of Canary Wharf or the long term prospects of the greater docklands area (and much less the potential for the 2012 Olympics and its legacy). However it was necessary for faith in the strategic case for the project in light of future potential and 'game-changers' (over a horizon of decades) to supplement a narrow and short-term business case.

Learning from this, we would urge government to supplement the Bakerloo Line Extension's strong conventional business case with a strategic view of the regional growth opportunity to be unlocked by connecting southeast London to the London Underground network.

January 2021

## **Endnotes**

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<sup>1</sup> P10; available [here](#)

<sup>2</sup> Jones, P. (2015). Assessing the wider impacts of the Jubilee Line Extension in East London. In R. Hickman, M. Givoni, D. Bonilla, & D. Banister (Eds.), *Handbook on Transport and Development* (pp. 318–330). Edward Elgar Publishing.