

Transport Committee

Select Committee Announcement

Monday 28 February 2011

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REPORT: TRANSPORT AND THE ECONOMY

The Government must publish a White Paper on its transport strategy, explaining in particular how its spending on transport will deliver economic growth and development, says the cross-party transport select committee in its latest report. Such a strategy must set objectives for all transport spending and explain the criteria Ministers will use to decide between different claims on limited financial resources.

Launching the report, *Transport and the economy*, Louise Ellman, Chair of the Committee said:

"We welcome the coalition Government's commitment to undertake transport investment that will deliver sustainable growth and enterprise, including 'green' industries, balanced across all sectors and in a manner that will reduce regional disparities.

"Ministers must however ensure that this vision for transport investment is backed up by a pro-active and fully integrated economic development strategy. This is so far absent.

"The current Government has swept away the regional tier of planning and many institutions that played a key role in the development of strategic priorities for transport spending in support of economic development. This has created a vacuum that has left regions without the institutions and arrangements they need to plan and prioritise sub-national transport schemes and other significant transport infrastructure.

"We have been told that groups of Local Enterprise Partnerships and 'other arrangements' may fill the transport gap left by the abolition of regional bodies. Yet many of these LEPs are either barely formed or have yet to be established. Arrangements for transport – we have learned - may not be in place until the end of this Parliament. This delay is likely to weaken decision making and widen the economic divisions between regions.

"The Coalition also needs a much stronger strategy for developing the UK's major ports and airports. Improving connectivity through these key international

gateways simply does not feature prominently enough in the Government's current approach to transport investment and the economy.

"The Government must also do more to correct regional disparities in transport investment. Transport spending in London for 2008–09 was almost twice the UK average per capita and with schemes like Crossrail this trend looks set to continue. The economic recession has however had a bigger impact in the north so there is an urgent need for increased investment in transport schemes within and between northern cities - such as the Northern Hub rail scheme - in order to boost their capacity for economic growth."

The Committee also warns:

The Government must make the appraisal and decision-making process for transport developments more transparent. It should also provide a formal statement about the regeneration benefits of proposed schemes.

The DfT's 'New Approach To Appraisal' process, which plays such a major role in deciding which transport schemes get government funding, is highly controversial.

Small schemes, including sustainable transport projects, may be cut disproportionately under new transport funding arrangements. It is unclear whether the Local Sustainable Transport Fund will reverse this trend.

Short-term cuts to road maintenance may increase long-term costs.

No one transport mode or type of scheme will deliver economic growth to every part of England. National government is not well placed to decide what is best for a local area and the Government should consider raising the threshold for government approval and appraisal of locally-determined transport schemes.

FURTHER INFORMATION:

Committee Membership is as follows:

Mrs Louise Ellman (Labour/Co-operative, Liverpool Riverside) (Chair); Steve Baker (Conservative, Wycombe); Mr Tom Harris (Labour, Glasgow South); Julie Hilling (Labour, Bolton West); Kelvin Hopkins (Labour, Luton North); Kwasi Kwarteng (Conservative, Spelthorne); Mr John Leech (Liberal Democrat, Manchester Withington); Paul Maynard (Conservative, Blackpool North and Cleveleys); Gavin Shaker (Labour/Co-operative, Luton South); Iain Stewart (Conservative, Milton Keynes South); Julian Sturdy (Conservative, York Outer).

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