

The Mayor's Transport Strategy
CBI response – January 2010

1. Introduction:

The CBI is the UK's leading business organisation, speaking for some 240,000 businesses that together employ around a third of the private sector workforce. Member companies include 80 of the FTSE 100 index, some 200,000 small and medium-sized firms, more than 20,000 manufacturers, and over 150 sectoral associations.

We have consulted members widely in responding to this consultation. Our submission is based on:

- Written views from CBI members in response to a CBI paper on the specific proposals contained in the MTS
- The three round-table sessions for CBI members with Transport for London in the run-up to the publication of the draft strategy
- Views expressed when Peter Hendy spoke about the strategy at the CBI London council meeting in September 09
- Evidence collated through our regular London Business Survey, and wider conversations with business.

Summary of the CBI's key messages:

1. The Mayor's transport strategy must make a strong commitment to continuously invest in London's transport system in a way that is necessary for London to maintain and improve its ranking as a world city.

2. Specific priorities for business:

The priorities (not necessarily in ranked order) for business are:

- Delivery of the transport plan to 2018 (Crossrail and tube upgrades)
- Additional capacity enhancements in tube and rail
- Improving the road network
- Congestion relief on major interchanges
- Strengthening modal integration
- Smarter use of travel information systems
- Reviewing the bus network
- Increased aviation capacity, strengthening Heathrow's infrastructure

3. Additional future capacity enhancement projects for London.

More information is required about the proposed projects, their scope, funding and deliverability but in principle, based on the information provided so far, we would support the following projects:

1. Northern Line upgrade 2 (separating the two branches)

2. Crossrail 2 (Chelsea-Hackney Line)-northeast to southwest corridor
3. Further extensions to Crossrail 1
4. Bakerloo Line extension in southeast London
5. Improving strategic interchanges (Hackney, Clapham Junction, Victoria) and station congestion relief (e.g. Finsbury Park, Vauxhall)
6. Smarter travel measures

The CBI will consult nationwide about the need for a national high speed rail network in 2010. The integration of any new network with London, high speed services to Europe and Heathrow Airport must be important considerations for the GLA.

We would also welcome a review and assessment of tramlink enhancements. River crossings are also key to the development of opportunity areas in the East and we would support the plans towards this end.

4. In addition, we call for:

- Investment that is proportionate to return
- Greater focus on parking and loading issues
- The use of appropriate demand management and consideration of future work travel patterns
- We support measures to improve safety on public transport, enhance air quality, reduce emissions and enhance the overall street environment that are cost-effective and proportionate.

Main response:

1. We support the six goals of the MTS

2. Supporting economic development and population growth
3. Enhancing the quality of life for all Londoners
4. Improving the safety and security of all Londoners
5. Improving transport opportunities for all Londoners
6. Reducing transport's contribution to climate change
7. Supporting delivery of the London 2012 Games and its legacy

2. We note that the proposals to manage and enhance the transport system are focused around 11 areas:

1. Rail
2. Tube
3. Bus network
4. Road network
5. Accessibility
6. Integration
7. Cycling/walking
8. Safety and security
9. Improving London's environment
10. Tackling climate change
11. Managing travel demand (parking, loading)

3. We also note that TfL has a number of committed investments which are funded and are part of the existing Business Plan to 2018.

- Crossrail
- Tube upgrades (track, signaling, rolling stock, stations)
- East London Line
- DLR extensions
- Rail network enhancements as specified in Network Rail's High Level Output Specification to 2014 (including Thameslink)

4. Business wants to see a more delivery-focused approach:

We support the overall goals and challenges in the strategy but urge for a more delivery-focused approach which will require sharp prioritisation based on value for money, funding needs, sources of funding and the deliverability of the various transport schemes listed.

The issue of funding is absolutely crucial. Up until 2018 transport plans for the capital are well-defined and are supposed to be funded. The strategy forecasts that to deliver the transport schemes outlined beyond 2020 will require an annual investment of £3.5bn to £4.5 bn a year (similar to the amount required from 2010-2020). This is a big assumption considering the state of public finances.

The CBI will be publishing a report in the Spring which will address possible innovative approaches to funding transport projects including tax incremental financing. It will also be looking at future trends in economic activity and work patterns such as tele-working and the impact of these trends on the transport network.

5. The strategy must make a strong commitment to investing in London's future transport capacity to maintain its competitive edge:

London is projected to grow by around 1.3 million people and 750,000 jobs by 2031. The overall number of trips is forecast to increase from the current level of 24 million per day to 27 million by 2031. The MTS must make a strong overall statement about committing to future investment in capacity that will meet London's needs to maintain and enhance its status as a world city. At present the strategy beyond 2020 reads more like a wish list and must be carefully prioritised given funding realities.

6. Need for prioritisation:

During the round-table sessions we arranged between business and TfL in the context of the Statement of Intent document, business pressed for specific project proposals which were almost entirely absent at that stage.

We welcome that the MTS has addressed this. But it is a complex document with some 116 project schemes which are not prioritised. In order for the plan to be credible, it is vital to have a clearly thought-out set of priorities.

Based on dialogue with our members as well as evidence-based research through our regular CBI/KPMG London Business Survey, the priorities (**not necessarily in ranked order**) for business are as follows:

- Delivery of the transport plan to 2018 (Crossrail and tube upgrades)
- Additional capacity enhancements in tube and rail
- Improving the road network
- Congestion relief on major interchanges
- Strengthening modal integration
- Smarter use of travel information systems
- Reviewing the bus network
- Strengthening Heathrow's infrastructure

These are expanded below:

Delivery of the transport plan to 2018

It is vital that the TfL business plan to 2018 is delivered in full, in time and within budget. This includes Crossrail, the tube upgrades, the East London Line and Thameslink. Resorting to funding cutbacks to cope with the current recession is not the answer, and would have very adverse consequences for London's competitiveness. Identifying growth areas and prioritising new transport links to assist regeneration is extremely important – plans must be defined now due to the long lead times in planning and funding infrastructure projects.

Additional capacity enhancements on tube and rail

Our twice yearly CBI/KPMG London Business Survey (LBS) has consistently shown that business sees continuous investment in improving and building on tube and rail capacity as a key priority. Given the long gestation time for infrastructure projects it is essential to plan ahead for these enhancements. Further details are provided in section iv (*proposed capacity enhancements – prioritisation*).

Improving the road network

The reliability of the road network is the worst among the various modes of transport. The CBI/KPMG LBS (Dec 09) showed that 58% are less than satisfied and 60% said it is getting worse, despite the congestion charge. Rising congestion, uncoordinated roadworks, less than optimal phasing of traffic lights are all contributing to this which is seriously hampering business productivity. Although TfL has announced various measures to address this – there is very little happening on the ground to improve the situation.

Congestion relief and modal integration

Enhancements on the tube and rail network must go hand-in-hand with congestion relief work at key stations and interchanges. Better modal integration can help to bring about a greater modal shift towards public transport by ensuring effective linkages - be it between train stations and car parking facilities for example, and thereby improving the overall journey experience. An integral part of this is the need for smarter use of travel information systems (below).

Resilience of transport corridors is also a vital issue and better co-ordination of maintenance / modernisation is an important part of enhancing resilience. For example – members have reported major problems when there are closures on the Jubilee Line and the DLR at the same time which causes problems for employees in East London.

Smarter use of travel information systems

Smarter use of travel information systems could make a real difference in improving the overall journey experience. We support the smarter travel initiatives set out in the strategy but they need to go further.

Cross-modal timetables and real-time information would help commuters plan journeys more effectively. For example, real-time information about train delays or problems when on the tube, or tube delays when on the bus would allow passengers to make alternative plans. This would involve the need to be able to access mobile phones on the Underground.

An effective information cascade about congestion hot spots, accidents and problems on the network would allow for better journey planning in advance. Paper-based information as stated under Proposal 114 will not suffice, and the web-based information must be absolutely up-to-date. Innovative ways to develop customised travel information need to be developed in conjunction with industry and technology experts.

Reviewing the bus network:

The strategy is virtually silent about the shape of the future network, or aims to review, stream and rationalise bus services. We understand a review is currently underway. It is vital that a radical review is conducted, particularly in central London, and that service routes are monitored on a regular basis to ensure services are provided where needed. Oxford Street is a prime example of bus congestion together with a low average number of passengers per bus. This is adversely affecting London's premier international retail destination. Bus services can and should be redistributed – for example - to outer London if appropriate. The significant amount of bus subsidy must be used optimally.

Improving airport capacity

Improved aviation capacity in London (runway, ground, air and terminal) is essential to maintain London's position as a world city. While the strategy recognises the importance of this it rejects expansion at Heathrow. Heathrow is vital to the health of the UK economy.

Passengers and freight transiting through Heathrow sustain a frequency and diversity of aviation services that are crucial for enabling businesses to access and exploit foreign markets for goods, services, and capital.

The UK Government has recognised that there is a national need for expansion at Heathrow, in light of its capacity constraints. The CBI supports expansion, with 72% of businesses in the most recent CBI/KPMG London Business Survey Dec 09 agreeing that it was important to their future competitiveness.

The CBI is therefore deeply disappointed by the lack of discussion and support for the development of a third runway at Heathrow in the MTS (and the draft London Plan).

On a wider level, the MTS should also discuss more directly the importance of improved surface access links to airports for relieving congestion, improving air quality, and lowering greenhouse gas emissions (as recognized in the MTS 50% of London City Airport passengers use the DLR).

7. Proposed capacity enhancements – prioritisation

We would need to see further detail of these projects in relation to the proposed enhancements. In particular, specific costs and cost-benefit ratios, greater detail about project scope and specific routes, sources of funding and deliverability.

But in principle, based on the information provided so far regarding for example, impact on regeneration, additional capacity, impact on congestion relief, we would support the following projects **(not necessarily in ranked order)**:

- i. Northern Line upgrade 2 (separating the two branches)
- ii. Crossrail 2 (Chelsea-Hackney Line)-northeast to southwest corridor
- iii. Further extensions to Crossrail 1
- iv. Bakerloo Line extension in southeast London
- v. Improving strategic interchanges (Hackney, Clapham Junction) and station congestion relief (eg: Finsbury Park, Vauxhall)
- vi. Smarter travel measures
- vii. Cooling the tube

We would also welcome a review and assessment of tramlink enhancements. River crossings are also key to the development of opportunity areas in the East and we would support the plans towards this end.

The CBI will consult nationwide about the need for a national high speed rail network in 2010. The integration of any new network with London, high speed services to Europe and Heathrow Airport must be important considerations for the GLA.

In addition, we call for:

- **Investment that is proportionate to return:** It is important that the efforts, time and investment spent on transport schemes are proportionate to the outcome. For example, while we welcome the measures to boost cycling, the overall impact will be marginal as we are talking about an increase from 1-2% of to around 5% - hence investment in these measures should be commensurate.

Return on transport investment needs to be considered in the widest way possible, taking into account both user and non-user benefits, as well as the environmental case for public transport investment.

- **Greater focus on parking and loading issues:** While an entire section is devoted to walking and cycling, the important issue of parking and loading facilities is lost in page 246 of the strategy. These are an essential part of economic activity in London and need to be adequately provided for. TfL must work closely with the industry to help meet their needs, and tackle the worst loading and unloading hot spots.
- **The use of demand management and consideration of future work travel patterns:** We agree that demand management can play a role in transport management including suitably-designed road user charging schemes (as set out in the last section of Chapter 5), though not at the expense of investing in capacity. Projections and plans of large businesses which have a major impact on local transport should be considered by TfL in order to direct investment, particularly in congested areas.
- In addition, it is likely that work travel patterns will undergo a change in the next few years. A recent CBI report (*'The shape of business – the next ten years'*, November 2009; <http://www.cbi.org.uk/pdf/20091123-cbi-shape-of-business.pdf>) shows that the business environment is likely to change considerably over the next 5-10 years.. This will impact on four areas:
 - capital and investment
 - the workforce
 - governance and sustainability
 - organisation and location

For example, a new more flexible work contract with employees will be sought. And new organisational structures will be created in many businesses as they continue to rationalise. Businesses will shift from transactional to collaborative relationships with a wide range of partners, around a smaller central core, which can have important implications for transport needs.

- We support measures to improve safety on public transport, enhance air quality, reduce emissions, improve sustainability and enhance the overall street environment as proposed in the strategy, though they must be cost-effective and proportionate.

END