

## **Written evidence submitted by the Chartered Institution of Highways and Transportation (MTP0037)**

CIHT is a charity, learned society and membership body with over 14,000 members spread across 12 UK regions and four international groups. We represent and qualify professionals who plan, design, build, manage and operate transport and infrastructure networks. Our vision is for world-class transportation infrastructure and services. Our values are to be Professional, Inclusive, Collaborative and Progressive.

### **Introduction**

1. CIHT welcomes the opportunity to respond to the consultation on Major transport infrastructure projects: appraisal and delivery. CIHT's response sets out a path to achieve a strategic approach to transport across the UK which will improve appraisal and delivery of transport infrastructure. This approach can and should build on the existing strategies already developed across the UK by the devolved nations and Sub-National Transport Bodies.
2. CIHT has repeatedly called for a National Transport Strategy to be developed, including in its published Manifesto<sup>1</sup>. The benefits of a national strategy - one that sets out a long-term framework over a sustained period – are clear when it comes to determining and then delivering infrastructure priorities.
3. The absence of an over-arching transport strategy drives up costs of infrastructure and slows down progress towards achieving Net Zero, improving health and the economy. Appraisal of transport and infrastructure projects is an issue as well and CIHT suggests a different approach that will enable us to identify the investments necessary to achieve the Net Zero carbon emissions requirement. CIHT believes that we need:
  - a) A National Transport Strategy which builds on the evidence-led approach underpinning the devolved nations and England's Sub-national Transport Bodies
  - b) The National Transport Strategy to be outcome focused – enabling environmental and societal outcomes to become drivers for change, including the requirement to achieve Net Zero carbon emissions no later than 2050 (2045 in Scotland). It should aim to accelerate progress for transport's contribution to reaching net zero ahead of the legislative deadlines.
  - c) Investment planning within the framework of indicative funding available – with Government providing an indicative funding for up to 10 years ahead – to enable resources to be prioritised and avoid the costs of re-bidding
  - d) To use the above to identify the 'need' for investment – thereby enabling a streamlining of the decision-making process – which accelerates delivery, reduces costs and realises benefits sooner

## Transport infrastructure strategy and priorities

- **The Government’s transport infrastructure priorities, including those set out in the National Infrastructure Strategy;**
  - **the contribution transport infrastructure can make to the Government’s ‘levelling-up’ agenda and the economic growth of the UK’s towns, cities and regions outside London;**
  - **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;**
  - **how major transport projects can be delivered while ensuring the Government meets its decarbonisation 2050 Net Zero targets;**
4. There is a lack of coordination of transport strategies at a spatial level across the UK. CIHT has consistently called for a National Transport Strategy to be developed to set a clear framework of requirements of all elements of our transportation networks over a minimum 10-year period. It should include the strategic and local highway networks, rail, aviation and ports and set out how those networks integrate with one another.
  5. There are already transport strategies developed at different levels across the UK. These provide a basis from which a National Transport Strategy should be developed. The following strategies are already developed or in development:
    - a. Transport Scotland has launched their National Transport Strategy 2 which contains a 20-year vision and 5-year priority plan<sup>2</sup>.
    - b. Wales are consulting on a new Wales transport strategy containing their 20-year ambitions and 5-year priorities<sup>3</sup>.
    - c. The seven Sub-National Transport Bodies (STBs) of England have all developed or are developing regional transport strategies.
    - d. The London Mayor’s Transport Strategy<sup>4</sup>.
  6. A National Transport Strategy must include a pipeline of infrastructure investment. This will encourage business to invest in the resources needed to deliver infrastructure that is consistent with a wide range of government policy areas – equality, health, sustainability and developing a prosperous economy.
  7. An approach built on a National Transport Strategy, as an amalgam of the devolved nations and the English STBs and London, that is evidence-led, with priorities identified within an indicative funding allocation allows us to achieve this ambition. Use the national/regional to determine ‘need’ and have confidence that schemes are affordable and then focus on delivering effectively.
  8. The benefits of long-term funding certainty to Highways England<sup>5</sup> and Network Rail<sup>6</sup> are clear. This demonstrates the need to determine a funding envelope on a wider

scale. This leads to prioritisation and choices being made as to what is affordable and deliverable.

9. Until there is similar clarity for the rest of the transport sector it is going to continue to develop ‘the best’ solutions rather than the ones we can afford – unless we move away from constant bidding rounds we will continue to identify solutions that are undeliverable for many years – that is how inertia is built into the system.
10. The creation of a vision and strategy would give a clear focus for the supply chain and the public as to how to plan and invest for the future. Without a clear strategy there is a real risk of businesses not investing or investment being wasted in the development of approaches that are not required or that lead to outcomes that work against other policy areas.
11. As part of an integrated transport strategy, CIHT highlight the need to improve the links between planning and transport – too often we plan and build first and then think about transport infrastructure afterwards. This leads to a continued growth in road traffic which is damaging our health, harming our towns, and contributing to climate change. That is a direct result of the lack of integration of transport and planning. Evidence of this can be found in a recent report which audited new developments in England and showed that two-thirds of all new developments are dominated by cars<sup>7</sup>.
12. CIHT’s Better Planning, Better Transport, Better Places publication<sup>8</sup> highlights how planning and transport must be integrated to enable planning and transport to produce sustainable outcomes. CIHT are in discussions with the Department for Transport and the Ministry of Housing, Communities & Local Government (MHCLG) about how some of the recommendations can be used. CIHT has made these points in more detail in our response<sup>9</sup> to MHCLG’s Planning for the Future: White Paper consultation.
13. A growing public aspiration for a more sustainable transport system is shown in the government’s National Travel Attitudes Study<sup>10</sup> where 76% agreed that "for the sake of the environment, everyone should reduce how much they use their cars" which is an increase from 63% in 2017<sup>11</sup>. To translate these aspirations into actual behaviour we need firm commitments, covenants and legislation to support it.
14. CIHT, through its involvement with STBs, can also inform that through their public engagements when developing regional transport strategies, are consistently reporting an expectation from the public that efforts to achieve Net Zero should go faster.

### **Appraisal and funding of transport infrastructure**

- **The effectiveness of the Government’s decision-making and appraisal processes for transport infrastructure projects and any changes required to the ‘Green Book’;**
15. CIHT has in recent years through its FUTURES project<sup>12</sup> been challenging traditional assumptions used in transport assessments about population, prosperity and traffic growth. Current systems of decision-making are not leading to desirable results.

Governments have repeatedly declared their intentions to create a healthy society, fight climate change, reduce poverty, strengthen local communities and tackle many other vital issues but the schemes that are eventually built do not reflect those goals.

16. A key problem of the decision-making process is the delays incurred in getting schemes identified in strategies through the decision-making process, particularly within Government. The system for this is overburdensome and overly centralised.
17. CIHT and the Royal Town Planning Institute (RTPI), The Transport Planning Society (TPS) and the Local Government Technical Advisers Group (LGTAG), in consultation with officers from the Local Government Association (LGA), have corresponded with the Department for Transport on the issues and are now working with the DfT on developing and issuing new transport related appraisal guidance reflecting the concerns we have outlined.
18. Transport is perhaps the most extreme example of an activity whose impacts outside its users' experience are far greater than the costs perceived by those users. These third party (external) costs are very wide ranging and include direct impacts like road deaths and injuries, community severance, landscape, pollution and climate change as well as congestion itself. There are also equally important longer-term impacts such as the location and number of homes, workplaces, shops, hospitals and other places people need to go.
19. Our current approach to decision-making and appraisal is very inconsistent and even more importantly leads to undesirable outcomes. The use of Benefit-Cost-Ratios (BCR) skews schemes in the direction of more motorised traffic and hence carbon emissions and air pollution. The major part of carbon emissions from road vehicles is assumed as an unalterable "given" and is not considered in the BCR at all. Health benefits of schemes are negated by time savings, of which the actual value is uncertain, to cars and lorries.
20. There are also considerable costs to the public purse of extensive analysis often requiring expensive and elaborate modelling and consultancy to be able to (artificially) create a favourable benefit/cost ratio. The current system of Cost-Benefit-Analysis is unintelligible to the public or more importantly the decision makers in Central or Local Government (the politicians) and the last thing any organisation wants is further revision to the system which made it even more complicated.
21. The economic theory that has underpinned the Social Cost Benefit Analysis (CBA), that has been carried out for the last 50 years or so, has been based on realising economic potential through the physical movement of people: that we maximise economic value through (physical) agglomeration.
22. The experience of the last 12 months has shown that flexible and remote working enables economic activity without the need to move as much as we have previously

done. This has been particularly true for the service sector, a significant part of the UK economy, and the benefits of agglomeration for this sector will arise from digital connectivity rather than physical connectivity.

23. Shared aspirations, at local, regional or national level, because of the absence of a clear strategy, have been led by the methodologies described above. We need to be led by what sort of future we want to create, then find the best way to achieve it. This can be a rigorous process, which was considered in the CIHT Futures report in 2015 and is now well documented in a number of examples, including the transport strategies developed by Transport for Greater Manchester and Transport Scotland.
24. In summary, the whole predict-and-provide system, and particularly the excessive weight given to the monetary value of time savings, results in the wrong schemes coming forward. While we would like to ensure that modelling transport demand reflects real behaviour as well as possible, we are more immediately concerned about Social Cost Benefit Analysis as the key determinant of a scheme's value. We share the view that we need to select and properly fund measures which will contribute most to the wellbeing of the public at large. We suggest that the setting of clear objectives, and then considering which options stand the best chance of meeting them, would be preferable. We can use many of the data collection and analysis, and public engagement tools that we already have. Robust tests of cost effectiveness would replace the inconsistent and often counter-productive current system.
25. CIHT believe that we need:
  - a) A National Transport Strategy which builds on the evidence-led approach underpinning the devolved nations and England's Sub-national Transport Bodies
  - b) The National Transport Strategy to be outcome focused – enabling environmental and societal outcomes to become drivers for change, including the requirement to achieve Net Zero carbon emissions no later than 2050 (2045 in Scotland). This should aim to accelerate progress for transport's contribution to reaching net zero ahead of the legislative deadlines.
  - c) Investment planning within the framework of indicative funding available – with Government providing an indicative funding for up to 10 years ahead – to enable resources to be prioritised and avoid the costs of re-bidding
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### **Oversight, accountability and governance of transport infrastructure projects**

- **The Government's role in the delivery of major transport infrastructure projects, including whether the Department for Transport has sufficient skills and expertise to oversee the successful delivery of transport infrastructure;**

- **the relationship between the DfT and other Government departments and agencies, devolved administrations, and the private sector, in delivering major infrastructure projects;**
26. It is important to recognise that DfT delivery should include the policy aspect as well as their role as client. Poor delivery is sometimes clearly the fault of the contractor but fault also lies sometimes with the policy makers changing approach in the short term after having committed to long term plans and also the result of the DfT client role intervening with delivery agents/contractors and is a consequence of poor governance and lack of skills in the client.
27. CIHT are pleased to see that there is an increasing working relationship between the Ministry of Housing, Communities & Local Government and the Department for Transport. This has been seen on the on-going work with the Planning White Paper. CIHT is also developing a revised Manual for Streets<sup>13</sup> for the Department for Transport where MHCLG forms part of the overseeing project board.

#### **Factors influencing the cost of transport infrastructure in the UK**

- **The reasons for continual high costs of major transport infrastructure projects, both past and present, and whether projects could potentially be delivered in a more cost-effective manner;**
  - **what lessons can be learned from other countries in the delivery of major transport infrastructure projects;**
28. Certainty, and continuity of investment over a sustained period is important if overall improvements to the network are to be delivered effectively and efficiently. This need for certainty applies both to Highways England and other “client” bodies and the wider supply chain of organisations working in the sector.
29. Government needs to provide the certainty required by the supply chain side of the sector to invest in resource and capability to deliver the investment envisaged.

#### **Transport infrastructure capacity and skills**

- **the extent to which there is enough capacity and the right skills within the UK to deliver the Government’s transport infrastructure plans, and options to help address shortages in transport infrastructure skills.**
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30. CIHT has called for the government to work with CIHT and the highways and transportation sector to produce a clear strategy for developing the workforce and

understanding what skills will be required to deliver the government's transport strategy. This would enable the UK to be a world leader and have the opportunity to export those skills and capabilities internationally.

31. To achieve the above outcomes - which would deliver value not only in terms of environment and climate change issues but also social value with regards to health, society and the economy - will require sufficient capability at highway and planning authorities. Both in terms of the professionals having the right knowledge and guidance but also enough capacity to apply the guidance as intended.
32. The future workforce is an area of concern for the growth and progression of the highways and transportation industry. Industry trends show that with fewer graduates entering and an ageing current workforce, action must be taken to secure the pipeline of skilled engineers and transportation professionals for the future.
33. A 2020 CIHT survey of large companies in the Highways and Transportation sector highlighted that the sector has the capacity and feels confident in its ability to deliver the government's current infrastructure plans. The more clarity and detail on what specific investments the government intends to make will allow for better planning and set up by the sector so it can respond and deliver effectively.
34. CIHT has surveyed a number of large companies in the Highways and Transportation sector about what types of skills that they think will be needed in the future. Stakeholder engagement, digital and leadership skills came out on top as the most significant skills required for in the next 3-5 years. The businesses surveyed employ a combined 140000 people of which the majority are based in the UK.
35. In 2019 CIHT carried out research on the state of digitalisation and skills in the highways sector. In a survey of 468 industry professionals, 31% thought that the industry is prepared for a shift in skill sets to a modern and digital workforce<sup>12</sup>. This is in line with findings from the Royal Academy of Engineering from March 2020 which found that the UK is lagging behind in supply of skilled engineers<sup>13</sup>.
36. The creation of a Highways Sector Council (HSC)<sup>14</sup> gives the opportunity for government to work with the sector through one body on this key area. The purpose of the HSC is to bring together industry and government to transform the highways sector by taking advantage of new technologies and ways of working to deliver economic, environmental and social benefits for all highway users, taxpayers and the wider society. It will do this by developing a collaborative approach to transform and improve how the sector works across a number of key areas such as people and skills. It is set up by the sector in partnership with the Department for Transport.

## Endnotes

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- <sup>1</sup> [https://www.ciht.org.uk/media/4372/making\\_the\\_journey\\_a\\_manifesto\\_for\\_transport.pdf](https://www.ciht.org.uk/media/4372/making_the_journey_a_manifesto_for_transport.pdf)
- <sup>2</sup> <https://www.transport.gov.scot/our-approach/national-transport-strategy/>
- <sup>3</sup> <https://gov.wales/llwybr-newydd>
- <sup>4</sup> <https://www.london.gov.uk/what-we-do/transport/our-vision-transport/mayors-transport-strategy-2018>
- <sup>5</sup> See Chapter 4 p. 47: <https://www.orr.gov.uk/sites/default/files/om/ORR-Annual-Assessment-of-Highways-England-End-of-Road-Period-1-DIGITAL.pdf>
- <sup>6</sup> <https://www.orr.gov.uk/sites/default/files/2020-09/annual-assessment-of-network-rail-2019-20.pdf>
- <sup>7</sup> <http://placealliance.org.uk/research/national-housing-audit/>
- <sup>8</sup> [https://www.ciht.org.uk/media/10218/ciht-better-planning-a4\\_updated\\_linked\\_.pdf](https://www.ciht.org.uk/media/10218/ciht-better-planning-a4_updated_linked_.pdf)
- <sup>9</sup> <https://www.ciht.org.uk/media/12351/planning-for-the-future-ciht-submission.pdf>
- <sup>10</sup> <https://www.gov.uk/government/statistics/national-travel-attitudes-study-wave-2>
- <sup>11</sup> <https://www.ciht.org.uk/news/large-majority-in-favour-of-reducing-the-use-of-motor-vehicles-according-to-dft-survey>
- <sup>12</sup> <https://www.ciht.org.uk/knowledge-resource-centre/resources/futures/>
- <sup>13</sup> <https://www.ciht.org.uk/knowledge-resource-centre/resources/revising-manual-for-streets/>