



CIHT Infrastructure Summary December 2014

This week has seen the announcement of three key documents for the highways and transportation sector.

[Autumn Statement 2014](#)
[Roads Investment Strategy](#)
[National Infrastructure Plan](#)

This document highlights the key points from these documents which reaffirm that infrastructure is a key economic policy priority for this Government. The UK relies on an efficient and resilient transport network to support economic growth and social development and CIHT broadly welcome this week's announcements.

Autumn Statement

Budget announcements

- The Office for Budget Responsibility revised the figures for economic growth from 2.7% to 3% for 2014, however growth for 2015 will drop to 2.4%.
- Future growth figures 2.2% in 2016, 2.4% in 2017 and 2.3% for 2018 and 2019.
- The structural deficit has not reduced as quickly as government would have liked and is now not forecast to be fully eradicated until 2018-19.

Major Infrastructure announcements

- The publication of the £15bn Roads Investment Strategy.
- £38 billion Network Rail delivery programme, including electrification of key lines, as well as commitments to projects such as Crossrail, phase 1 of which is due to complete in 2018, and HS2, phase 1 of which is due to start construction in 2017.
- £2.3 billion programme of flood investment in over 1,400 schemes to protect 300,000 homes.

Apprenticeships and skills

- The government will abolish employer National Insurance contributions on earnings up to the upper earnings limit for apprentices aged under 25.
- The government aim to create a more highly-skilled labour market, including through a new offer of income contingent loans for those wishing to undertake postgraduate study.

Local Growth Funding

- A significant proportion of future local transport funding (including the capital element of the Local Sustainable Transport Fund) has now been incorporated into the Local Growth Fund (LGF).
- LGF spending has been devolved to 39 Local Enterprise Partnerships (LEPs) between local authorities and businesses. With LEPs now responsible for determining local priorities, with responsibility for delivery of projects remaining primarily with local authorities.

Investment in the North

The Government has announced a further £7bn to be spent on connecting the North.

- Investing £6 billion on roads.
- Introducing new modern trains and 20% more capacity.
- Developing HS3 to make east-west travel faster.
- Doubling the number of northern cities to benefit from the government's superfast broadband programme.
- Funding will also go on building the North's strengths in science, with major new science investments across the North.

National Transport Policy

The government plans to lay the National Networks National Policy Statement (NN NPS) before Parliament this month for consideration and a formal vote.

CIHT responded to the [Government consultation](#) and were disappointed at the limited scope of the statement. The draft NN NPS was very mode-discrete and did not join road and rail into a coherent overall policy statement. It was silent on how developments in aviation or on the vital local highway network would impact on the strategic road and rail network and vice versa. CIHT hope to see some improvements to the final published statement.

Innovation

The government has made commitments to innovation.

- £1.4 billion public and private investment over 5 years into a new Catapult Network.
- Improving the competitiveness of the R&D tax credit schemes.
- Recognising the importance of science and innovation in local economic growth.
- Encouraging Local Enterprise Partnerships (LEPs) to bring forward proposals for science projects through the Local Growth Fund.

Roads

Road Investment Strategy

The 5-year Strategy (RIS) represents the biggest upgrade to the strategic roads (motorways and major A-roads) in a generation, building on the £9 billion worth of schemes under construction in this Parliament. Improvement and enhancement of the strategic road network is essential to tackle current and future congestion and support economic growth.

The RIS is underpinned by £15.2bn of capital funding from 2015/16 to 2020/21 announced in the 2013 Spending Review. It amounts to a tripling of annual investment in roads improvements from today's levels to over £3bn per year by 2021. This is enabling 84 new national road projects to be announced, bringing the total being taken forward as part of the Road Investment Strategy to 127.

Key highlights include:

- A new strategic corridor to the South West via the A303, including a 1.8 mile tunnel at Stonehenge, a long term commitment of around £2bn.
- Projects which will deliver over 1000 additional lane miles.
- £4.5bn to add an extra lane to our key motorways, turning them into Smart Motorways, and boosting connectivity between London, Birmingham, Manchester and Yorkshire.
- Nine major improvements along the A1 from Berwick to London, taking it to motorway standard through Yorkshire and extending the continuous dual carriageway 24 miles further north, part of £2.3bn worth of new investment in Yorkshire and the North East.
- 50 schemes to support housing and growth across the country, including major housing sites and enterprise zones

- More than £1 billion of environmental mitigation measures, a large number of which are built into modern roads by default.
- £6 billion in road maintenance – over £1bn a year and 41% higher than at present and enough to resurface 80% of the national road network.
- Ring-fenced Funds of £900 million to be spent as follows:
 - £300 million on Environment
 - £250 million on Cycling, Safety and Integration (including walking, inclusion and community severance issues)
 - £150 million on innovation to harness new and emerging technologies
 - £100 million on Air Quality
 - £100 million on supporting Growth and Housing
- Challenging key performance indicators, including a 40% reduction in the number of people killed or seriously injured on the network over the period (compared with the 2005-2009 baseline) and delivering at least £1.2bn in efficiency savings as a result of the Highways Agency being able to plan ahead and invest in skills and equipment, speeding up essential work and driving down costs.

The [Roads Investment Strategy](#) will be adopted as a strategic plan as part of the [Infrastructure Bill](#).

The Strategy is set out in a series of documents: namely:

- An [Overview](#) that gives a summary of the RIS and the investments being made in each region.
- A [Strategic Vision](#) which considers the challenges facing the network to 2040, and sets out long term aspirations for the network around safety, journey time reliability, user satisfaction the environment and economic growth. It sets out the plans on technology and the latest road traffic forecasts, which have taken account of recent trends.
- An [Investment Plan](#) detailing the funding available and how this funding will be spent. This contains the outcomes of the 6 Feasibility Studies announced in 2013 and the 19 Route Strategies which have been undertaken by the Highways Agency. Most of the improvements are within the existing land boundaries
- A [Performance Specification](#), against which the future Highways Agency's success will be measured. This includes key performance indicators for safety, the environment, walking and cycling, traffic flow, economic growth, road user satisfaction and asset condition.

Alongside these, the following were published:

- An [Investment Plan Summary map](#) showing the location of each scheme
- Online, [interactive maps](#) detailing the schemes in the Investment Plan
- An [Investment Plan Summary spreadsheet](#) providing information on each scheme
- A series of [infographics](#) covering headline RIS outputs by region and future Strategic Road Network targets

The document collection is available [here](#).

CIHT's response to the RIS can be found [here](#).

National Infrastructure Plan

The NIP included the schemes from the RIS and also made comment on the Local Road Network.

Local Road Network

The Government treat local roads as separate from the Strategic Road Network. Local authorities have responsibility for managing, maintaining and making improvements to local roads. The government provides supporting funding for many larger enhancement and maintenance schemes.

The government will be providing local authorities (in England) with £5.8 billion of capital funding over the next six years for maintenance of local highways. The government has announced that of this funding:

- £4.7 billion will be allocated according to a needs-based formula.
- £580 million to incentivise good asset management and efficiencies.
- £575 million reserved to a challenge fund for large one-off maintenance and renewal projects.

Funding from the needs-based formula, will indicatively be allocated regionally as follows:

- North East – £270 million
- North West – £630 million
- Yorkshire and the Humber – £490 million
- East Midlands – £540 million
- West Midlands – £510 million
- East of England – £640 million
- South East – £780 million
- South West – £850 million

[CIHT's response](#) to the DfT consultation 'Local Authority Highways Maintenance Funding 2015-21

Further details from Autumn Statement

Roads and automotive innovation

Ultra-low emission vehicles (ULEVs)

The government has announced up to £50 million between 2017-18 and 2019-20 to support innovation in manufacturing of ultra-low emission vehicles in the UK, based on a government contribution of £25 million for which it will seek match-funding from industry.

The Roads Investment Strategy sets aside a further £15 million between 2015-16 and 2020-21 for a national network of charge points for ULEVs on the Strategic Road Network.

The government is also providing £10 million support for ULEV measures in London, as well as further detail of three funds totalling £85 million to support ultra-low emission taxis, buses and cities.

Clean Vehicle Technology fund

The government will provide up to £4 million to extend the Clean Vehicle Technology fund in 2014-15, which funds road vehicle modification by local authorities in order to reduce air pollution.

Driverless cars testbeds

An additional £9 million is being provided by the government (from DfT, BIS and HM Treasury) to increase the prize fund for driverless car testbeds – enabling trials in Bristol, London, Milton Keynes and Coventry from next year.

Cycling

Cycle City Ambition grants

The government will provide £114 million between 2015-16 and 2017-18 to enable the continuation of the Cycle City Ambition scheme in the 8 cities it already covers. This will provide capital funding for cycle infrastructure such as segregated lanes and improved junctions. [Cycle delivery plan – CIHT response](#)

Aviation

The Davies Airport Commission has published its interim report and is currently consulting on its proposals for additional runway capacity at either Gatwick or Heathrow airports. Publication of the Airports Commission's final report on airport capacity in the South East in summer 2015

Air Passenger Duty (APD) – Autumn Statement announces an exemption from reduced rate APD from 1 May 2015 for children under 12 and from 1 March 2016 for children under 16.

There is £6.1 billion of planned investment in UK airports and air traffic control in the pipeline between now and the end of the decade with both Heathrow and Gatwick having significant investment plans.

Proposals to make better use of existing airport capacity through potential surface access measures include:

- The Roads Investment Strategy includes plans for an upgrade of the M42 Junction 6 near Birmingham airport.
- Western Rail Access to Heathrow, to provide a direct service from Reading, will commence enabling works in 2017, subject to feasibility.

- Network Rail is producing a feasibility study into options on Southern Rail Access to Heathrow, to report its findings in 2015.
- Network Rail is consulting on extending the scope of the East Anglian Mainline study to include access to Stansted and will report findings in 2015.
- Network Rail is looking at capacity on the Brighton Mainline as part of the Route Study for Sussex on which it is currently consulting.
- The government is publishing the outcome of a feasibility study on improved connectivity at Leeds Bradford International Airport, setting out the potential connectivity benefits of a new link road costing £38m and recommending further consideration of opportunities for a rail link.

Rail

The Government reaffirmed its commitment to wider modernising of the network through, electrification, redevelopment of stations, rolling stock upgrades and proposals to increased freight traffic on the railways.

The government outlined the Infrastructure pipeline for rail at £86.9bn, with £34.8bn of work in construction and a further £52.1bn of future investment.

Network Rail Limited with all of its subsidiaries was reclassified as a central government body. That decision took effect on 1 September 2014 and Network Rail is now a public-sector arms-length body of the Department for Transport.

The government also announced it has extended the cap on increases to regulated rail fare rises at RPI inflation for a further year, into 2015. In addition, in 2015 train operating companies will not be able to increase individual fares by up to 2% more than the permitted average increase.

Access for All

The government will increase the funding for the Access for All scheme by £60 million between 2015-16 and 2018-19, improving platform access at approximately 20 stations.

Rail Projects

Continuing work on HS2

Phase 1 due to start construction in 2017

The government has given backing to develop proposals for a new High Speed 3 rail connection for cities in the north, which could significantly reduce journey times across the region.

Crossrail 2

The government will provide £2 million between 2014-15 and 2015-16 to support the development of a comprehensive business case produced jointly by DfT and Transport for London, to complete ahead of the next Spending Review. This will be combined with a full options appraisal of all potential major transport projects in London, including an extension of the Bakerloo Line to improve connectivity in south-east London, and the devolution of South Eastern rail services to London.

Access to Ebbsfleet

The government will undertake a review of transport provision for the Ebbsfleet area, including Crossrail, High Speed 1, Southern and Southeastern rail services.

[Gatwick Airport rail station](#)

The government has signed a Heads of Terms agreement with Gatwick Airport and Network Rail to support a £120.5 million redevelopment of Gatwick Airport railway station, on the basis of a contribution of £30 million from Gatwick Airport and a £30 million contribution from Network Rail.

[Chesterton rail station](#)

As announced by the Prime Minister and Deputy Prime Minister in December 2013, the government will provide £44 million between 2014-15 and 2016-17 to build a new rail station at Chesterton, linked to Cambridge Science Park.

[Northern and TransPennine Express rail franchises](#)

The government will publish the Invitations to Tender for the Northern and TransPennine rail franchises in early 2015, and will specify a substantial package of upgrades including new services and modern trains in order to phase out the outdated Pacer trains.

[East West Rail](#)

The government will consider the outputs of the Network Rail study into the East West Rail central section (Bedford to Cambridge) as part of the planning for Control Period 6 (2019-2024)

[Dawlish rail services](#)

The government will support Network Rail in its work to improve the resilience of the railway at Dawlish. Additionally, it will ask Network Rail to examine wider issues surrounding connectivity to and within the south-west peninsula. Specifically, Network Rail will consider alternatives to the current mainline route to the south-west via Dawlish, including an alternative route via the north side of Dartmoor through Okehampton. This work will feed into Network Rail's Initial Industry Plan for Control Period 6.

[Norwich in Ninety](#)

The government supports the key recommendations of the Great Eastern Main Line Task Force, including upgraded infrastructure and the latest rolling stock. Bidders for the next Anglia franchise, which will start in October 2016, will be incentivised to submit plans for achieving these recommendations for services to Norwich in 90 minutes and associated benefits along the Great Eastern Main Line.