

NORTH EAST

TRANSPORT



Efficient transport networks underpin the economy of the North East. Investment in infrastructure is vital to aid our economic recovery and ensure that the region remains competitive in international markets.

NATIONAL RECOMMENDATIONS

ICE has compiled State of the Nation reports each year since 2000, drawing on expertise across its membership and beyond to stimulate debate and to highlight the actions needed to improve the UK's infrastructure.

ICE's State of the Nation: Transport 2013 UK report presents a series of detailed recommendations – for the short, medium and long-term. While all are important, we believe that three are particularly critical to our success:

- 1. Immediate action to improve road conditions, planning and funding**
- 2. Ensuring clear national transport strategies for all parts of the UK**
- 3. Continuing and extending devolution to fully-integrated transport bodies**

Our emphasis is on making best use of existing assets and achieving the most with public money. The headline recommendations are backed by a series of further points requiring rapid action and a suite of detailed changes by mode and topic. The report concludes with a proposal to create the capacity to address the major social, economic, environmental and technological change which ICE anticipates through the 2020s.

The UK report, with the full detail behind our recommendations, can be downloaded at ice.org.uk/SoNTransport. This briefing sheet highlights how ICE's UK-level recommendations impact on business and communities across our region.

INTRODUCTION

The North East region has much to celebrate. We have achieved substantial wins in new infrastructure for the region in the 2012 Autumn Statement, including the proposed upgrade of the A1 Leeming to Barton section, which will provide the much needed completion of the motorway link to the North East.

The progress of Nissan in recent years has catapulted the North East into the headlines as the region for manufacturing state of the art electric vehicle technology, and the 'Plugged in Places' initiative has enabled us to provide the infrastructure to support electric vehicles across the region. We are the only English region to have a positive balance of trade, and operate a thriving UK export hub from the Port of Tyne and Teesport and a major distribution centre for the North East, North West, Scotland and Ireland.

However, there is much that remains to be done. Significant areas of congestion on road and rail networks are constraining the region's economic development. Car ownership in the North East is still growing, which will inevitably put extra strain on an already congested network. Infrastructure resilience has been tested by serious weather events, and a lack of long-term planning has left the region vulnerable to disruption and delay, and open to costly emergency repair work.

Now is the time to focus on what is needed to achieve the next block of critical infrastructure wins, and continue the progress that the North East is making.

NORTH EAST TRANSPORT CHALLENGES

These are challenging times for the UK, for the North East region and, in particular, for the civil engineering industry in our region. The reduced number of construction projects being undertaken in the region has placed significant pressure on local companies, and whilst the Government's £30bn pipeline of transport spending is welcome, historically capital spending in the North East has been less than 3% of the national total (HM Treasury Public Expenditure Statistical Analyses).

ICE North East believes that the key issues facing the region and our industry can be summarised as follows:

LACK OF LONG TERM PLANNING AND COORDINATION

At a national level, the absence of a clear strategy for transport in England has left the North East at a disadvantage. This deficiency is compounded by the absence of a regional body undertaking the planning and prioritisation for transport investment. Indeed, when funding was more readily available, the inability of different parties in the region to agree on the prioritisation of schemes resulted in little investment in the region.

LACK OF INVESTMENT FROM CENTRAL GOVERNMENT

The focus on alleviating congestion in other parts of the country has resulted in infrastructure investment per capita in the North East being only 70% of the national average, and around half the investment per capita compared to the South East, even after major schemes, such as Crossrail and Thameslink, have been removed.



CONTINUITY OF PROJECTS

Even before the economic downturn, the absence of a clear forward programme of projects and the stop/start nature of projects and funding made it difficult for the engineering sector to provide adequate resources to deliver projects efficiently.

REGIONAL CONNECTIVITY AND RESILIENCE

Geographically the North East is remote and relies on a small number of key transport routes such as the A1, A19 and East Coast Main Line. The investment in the A1 announced in the 2012 Autumn Statement is welcomed, bringing a motorway connection to the region. However, terminating the proposed high speed rail link at Leeds will exacerbate the perceptions of our peripherality, and may deter companies from locating in the North East in the future. Furthermore, the resilience of our existing networks is of vital importance, and has been tested in recent months as adverse weather events closed both road and rail links on several occasions, leaving the region inaccessible.

At an international level, aviation links are vital to the region's economic prosperity in the increasingly global market place, and decisions about Air Passenger Duty and the national hub airport have a significant impact on our connectivity. Surface access to our ports is key to enable them to fulfil their full potential, both supporting the economy of the North East and providing much needed relief to congested networks in the rest of the country.

RISK OF SKILLS SHORTAGE

The existing pressure on the construction sector has forced companies to down-size, with some closing offices, and others leaving the region completely. Trained and talented engineers are forced to consider career changes removing skills and experience from the region.

MOVE TO LOW CARBON TRANSPORT

We must also address the longer term challenges of providing low carbon sustainable transport. However, the region still has the lowest car ownership of all the English regions, and car ownership continues to grow, albeit from a low base. As a result some of the issues affecting the delivery of sustainable transport solutions and behaviour change are not the same as in other areas. Our future investment strategy should seek to encourage greater use of alternative modes other than the private petrol/diesel car, by providing viable alternatives and integrated public transport.

RECOMMENDED ACTIONS

We believe that urgent action is required to address the issues identified above and to facilitate the investment that is needed in the region to help stimulate economic recovery.

A NATIONAL TRANSPORT STRATEGY FOR ENGLAND

Development of a national strategy for transport in England, as described in the main report, will have clear benefits for the North East, and will underpin the delivery of our key regional priorities.



Maintenance of the existing asset is vital

REGIONAL COORDINATION AND STRATEGY

Public and private sector interests across the North East must work together to coordinate and prioritise multimodal transport projects. The development of a combined body to cover the transport authorities in the NE Local Enterprise Partnership (LEP) area is a welcome step, but from a strategic perspective, it is vital that this body aligns with work being undertaken by the Tees Valley LEP, to ensure coordination across the whole region. Together, they should prepare a regional transport investment strategy, spanning beyond government periods of office, to meet their own respective development objectives as well as the daily requirements of the region's population. The strategy can build on the work being done by the CBI and North East Chamber of Commerce, and should identify a clear pipeline of future projects to enable industry to prepare the adequate resources for delivery and Central Government to plan future investment.

The strategy should also provide long term planning to incorporate low carbon sustainable transport, drawing on all transport modes and building on the region's strength with electric vehicles. It should also identify where investment in adjacent regions will bring enhanced benefit to the North East, as was done with the A1 improvements, and allow joint working/funding bids where this is beneficial – this will be particularly important for future rail investment.

FUNDING

Central Government should review the way funding is granted to regions to ensure a more even distribution of resources across the UK and provide a greater level of certainty in the longer term. The region should identify schemes that are ready to be delivered now to release immediate investment, help stimulate future growth and alleviate the short term pressure on the construction industry. A development fund should be made available to the Local Enterprise Partnerships to develop potential future transport schemes to sufficient detail so that they can be entered into traditional funding streams. With Local Transport Bodies taking responsibility for local major schemes from 2015, it is imperative that a pipeline of schemes is developed to a sufficient state of readiness to enable them to be brought forward quickly, should additional funding become available.

In his Independent Review of the NE LEP, Lord Adonis recommended that the North East transport body should develop a single united North East infrastructure fund of £500m to fund a ten year transport programme. ICE North East believes that this should be implemented without delay and should be accompanied by a similar programme in the Tees Valley LEP area, under the umbrella of a regional transport strategy, to ensure a coordinated approach to transport delivery and programming across the whole region.

Further recognition is required of the contribution that the North East is making towards reducing carbon emissions, not only in terms of electric vehicle manufacture and infrastructure, but also from rail freight growth. This should be reflected in the funding given to the region in support of these advances in sustainability.

East Coast Mainline, Newcastle Central Station

SUITABLE APPRAISAL PROCESS

A more suitable appraisal process is required to make the analysis of schemes and allocation of funds fairer. A common appraisal process should be developed to enable Local Transport Boards to make informed, multi-modal decisions in place of the current WebTAG and cost benefit ratio methodology, which is only suitable for the comparison of like-for-like schemes. A different framework would give more control to regions and allow schemes to be compared across all modes on a more even playing field. Any new process should also address the issue of how economic growth can be better balanced across the UK, and there is a clear role for a new, Independent Infrastructure Commission in developing this.

IMPROVE INFRASTRUCTURE AND NETWORK RESILIENCE

Targeted investment in highway infrastructure is required to address congestion points on the A1, A19 and a number of other key routes to support economic growth. Additionally, the region should undertake an assessment of the resilience of critical infrastructure to identify measures required to ensure its operation during extreme weather events. These improvements must be captured in the regional transport strategy and delivered.

Nationally, rail funding is focussed on electrification and HS2. The current plans do little for the North East, and ICE NE is keen to see an East Coast extension of HS2 to Scotland, providing the economic benefit of high speed links between our region and two capital cities. However, irrespective of any future extensions to HS2, investment is required in our rail network now to improve capacity and resilience. Typically, this will include reopening mothballed routes and stations and improving freight facilities, improving the competitiveness of our ports and alleviating congestion on passenger routes. In advance of HS2, spending on the East Coast Main Line should focus on the line north of York to ensure that the North East will benefit from through running HS2 trains from 2033, and enable local and regional services to be aligned to the new national network.

ICE North East is keen to see a review of Air Passenger Duty and believes that a reduction would make routes more competitive, as this is currently having an adverse impact on European services to our regional airports. We support the development of a new international aviation hub with appropriate rapid transport links to central London.

We must increase cycling in the city centres and conurbations across the North East. This will require investment to deliver physical changes to our street environment, giving road space to walking and cycling, reducing traffic and vehicle speeds and removing unnecessary pedestrian guard rail and other street clutter. Increased investment in cycling infrastructure is also required to provide cyclists with off-road routes that are segregated from pedestrians. Together, these measures will facilitate journeys into work in town and city centres and help to deliver the step-change in walking and cycling which is needed to improve health, alleviate congestion and address air pollution.



Newcastle University cycle park

SUMMARY - KEY PRIORITIES FOR TRANSPORT IN THE NORTH EAST

1. A national transport strategy for England, which aligns with those in the devolved nations, particularly neighbouring Scotland

- Secure effective transport strategies for each of the UK's countries and major conurbations, with sustainable growth at their heart
- Develop an independent infrastructure commission to advise on policy and oversee progress

2. City region transport authorities

- Create city region transport authorities with the power to deliver integrated, multimodal transport solutions
- Cooperation between adjacent areas to deliver regional and pan-regional coordination

3. Investment in the road and rail network to improve capacity, resilience and connectivity

- Remove constraint to economic growth by addressing congestion hotspots on our transport networks
- Reduce disruption due to extreme weather
- Improve road condition to reduce potholes and related claims and damage
- Provide high speed rail links to London and Edinburgh
- Reduce the unit costs of new road and rail infrastructure
- Improve deliverability of new infrastructure, services (time, cost, quality)

4. A new appraisal process to compare different types of scheme

- Develop a new process which enables fair comparison of different types of scheme and addresses the rebalancing of economic growth across the UK
- Set up an independent infrastructure commission to oversee development of a new appraisal process
- Move away from prescribed use of webTAG which can only compare like-for-like schemes

5. Protect our international connectivity

- Review Air Passenger Duty
- Protect slots for regional connections to UK National hub airport
- Improve road and rail connections to our ports, particularly for freight

6. Increase cycling in city centres and invest in cycling infrastructure

- Invest in infrastructure which provides a safe and enjoyable cycle commute into city centres, with off-road routes that are segregated from pedestrians
- Encourage car users to switch to sustainable modes
- Deliver increased capacity, and less overcrowding on public transport
- Facilitate greater social mobility by enhancing connections to employment



View the full report online at
ice.org.uk/stateofthenation



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