

# ► National Infrastructure Commission

## ► Call for evidence: London's transport infrastructure

London Councils represents London's 32 borough councils and the City of London. It is a cross-party organisation that works on behalf of all of its member authorities regardless of political persuasion.

### 1. What are the major economic and social challenges facing London and its commuter hinterland over the next two to three decades?

London's population alone is forecast to increase to 10 million people by 2030 with significant population growth expected in the wider south east of England as well. This provides a major opportunity for national growth, job creation and GVA but has a consequence for all London's infrastructure, including its transport system. In recent polling commissioned by London Councils, Londoners named housing, health and schools as their top three infrastructure priorities, as well as strong support for investment in the 'unseen' infrastructure that is vital to the city's functioning – waste, energy, digital and flood defences.

London Councils' polling indicates that 88% of Londoners believe there is a housing crisis. Unprompted, 54% give housing as the most important issue facing London. Major house building is needed, and these homes need good transport links otherwise they become unconnected deserts where people are forced to rely on car ownership. This is not something London wants to promote.

Positive contributions to these challenges could include a shift to a circular economy and investment in digital infrastructure to enable more people to work from home or use internet-based conferencing facilities, reducing usage of the transport system in peak periods. However, relying on digital infrastructure alone will not meet London's growth challenges and so significant investment in transport infrastructure is required. London government and central government need to tackle these challenges boldly, and not tinker at the edges; London's transport system is already at capacity, which can only worsen with increased population and employment growth.

London's economy relies on a mix of professions and workers at different income points. Without the right mix of homes across London to accommodate them, London's transport infrastructure will come under increasing pressure as lower-paid workers have to commute longer distances to centres of employment. This is why councils need the right local planning tools and flexibilities to ensure the right mix of tenures for their areas. Therefore the government should look again at policies such as Permitted Development Rights and Starter Homes which have the potential to undermine this local discretion, with consequences for housing mix and infrastructure.

London needs to get a good balance between land for employment and housing. Land for employment is coming under increasing pressure in the capital because of rising rents in some parts, the Permitted Development Rights policy and viability issues. Developments around infrastructure should incorporate mixed uses, whenever appropriate, and ensure that any businesses displaced by large infrastructure are appropriately relocated. Population growth needs to be matched by significant local growth in employment; otherwise most new job opportunities will be concentrated in central London and create even greater pressure on already constrained radial transport routes. Job creation in metropolitan centres in outer London can help reduce the need for radial trips to central London.

Housing Zones – which we have welcomed – are a good demonstration of how a locally-led and multi-agency approach can ensure the right infrastructure to unlock new housing supply. The Southall Housing Zone is a good example of a partnership between City Hall and the borough and other agencies to deliver a coordinated approach to housing and infrastructure.

## 2. What are the strategic options for future investment in large-scale transport infrastructure improvements in London – on road, rail and underground – including, but not limited to, Crossrail 2?

- **How should they be prioritised, taking account of their response to London’s strategic transport challenges, including their impact on capacity, reliability, journey times and connectivity to jobs?**
- **What might their potential impact be on employment, productivity and housing supply in London and the southeast?**

London Councils believe that there are a number of strategic transport infrastructure schemes that London needs, but Crossrail 2 is the most significant and strategic of these.

### Crossrail 2

Crossrail 2 is desperately needed to address severe capacity constraints that will exist on the London Underground and mainline Network Rail services such as those into London Waterloo, London Liverpool Street and London Victoria. When High Speed 2 is complete, Crossrail 2 is needed to provide capacity to allow those passengers to transit easily through London Euston. Crossrail 2 will support significant numbers of jobs along the line and provides general regional connectivity, which at present is only offered by the Thameslink line. Crossrail will improve this but more rail lines which negate the need to use the tube will have wider benefits for the rail and tube network in London as a whole. Crossrail 2 presents an opportunity to unlock sites for a significant number of homes that London desperately needs, and this should be taken into consideration in funding the scheme. There are also strong calls for an extension to east London to bring regeneration benefits to the London Riverside and Thames Gateway area.

### Improve orbital routes in outer London and provide new rail connections

At present rail and road infrastructure is focused on getting people in and out of central London. In the outer London boroughs, a reasonable proportion of residents commute to work in another outer borough. Town centres in outer London such as Kingston, Sutton, Croydon, Bromley could benefit from improved orbital rail, bus and tram links between these areas, which would improve the current situation of people having to travel into central London to change and then travel out again, as well as reducing congestion. The Tramlink in south London has demonstrated the opportunity to build this capacity as have orbital ‘express’ bus services such as the X26 service which links Croydon and Sutton with Heathrow Airport. As well as the connectivity benefits, these services are often more affordable and easier to introduce than equivalent journeys by rail or tube. In areas of major regeneration and growth opportunity, key transport links such as the A13 trunk road need to be invested in to support this growth.

### Brighton Mainline Upgrade

The Brighton Mainline which connects Brighton with central London via East Croydon and Clapham Junction is already severely overcrowded with passenger growth increasing at 4 per cent each year. As well as providing a commuter route, the line serves Gatwick Airport, and carries the Thameslink Service to London Bridge for onward travel to Blackfriars, St Pancras International and various destinations north of London. The last remaining serious bottleneck on the Brighton Mainline is caused by track arrangements at East Croydon station and north to the Windmill Bridge Junction due to the number of points and crossovers. This leads to trains frequently having to wait whilst another crosses its path, and other delays. Network Rail has carried out an Area Route Study and identified the urgent need to straighten the tracks, remove all crossovers and provide additional track through East Croydon station and north of it, and to grade separate the rail lines to London Victoria and those to London Bridge at the Windmill Bridge Junction. Network Rail is convinced of the need to deliver the improvements in Control

Period 6 (2019-2024), together with a rebuilt station at East Croydon that meets Croydon's modern needs. East Croydon is the fifth busiest interchange in the country and one of the busiest in terms of passenger entries and exits. Network Rail's proposals include two additional platforms and a greatly extended passenger concourse at the station to seek to cater for passenger demand / numbers. Croydon Council considers the improvements at East Croydon and up to and through Windmill Bridge Junction, vital to the achieving the growth potential of the Croydon Opportunity Area and meeting the growth needs of London and the South East.

#### Upgrade and extension of the Bakerloo line

This will support growth in southeast London and improve access to public transport, reducing car usage and associated emissions and congestion. The extension will support regeneration and development schemes, improve journey times and provide better connections, improving capacity.

#### East London River Crossings

We strongly support the feasibility work TfL is undertaking to explore river crossings in the east of London. More crossings in this part of London are much needed and would significantly improve connections between areas to the north and south of the river, supporting jobs and business growth. Whilst road crossings are important to improve the resilience of the south east London road network, we believe they must incorporate safe and viable walking and cycling crossing options. Bus routes should also be scheduled to use the crossings and we support TfL in exploring the inclusion of public transport options such as trams or the DLR.

#### An improved bus network

In recent polling commissioned by London Councils, more frequent buses were the top improvement Londoners wanted to see; selected by 48% of those surveyed. This rose to 63% amongst people with lower incomes. Boroughs want to see a more responsive bus network, with new routes created to serve new housing developments and employment sites, where public transport options can at present be limited. Good public transport links improve the desirability of a new development and reduce car ownership if people know they will be able to get around, as well as contributing to improved air quality. The creation of bus lanes is important in improving the reliability of public transport. Bus services that link outer boroughs with central London to reduce the cost of travel for low-paid Londoners was also something that our recent research into transport affordability *Living on the Edge* uncovered.<sup>1</sup>

#### Improvements to cycling and walking infrastructure

Notwithstanding the recent developments on a national walking and cycling investment strategy, it remains important in London to continue to provide the hard cycling and walking infrastructure that makes using these modes safer in London, as this is so often cited as a barrier. The recent mini-Holland schemes should be tested for success and could be rolled out to other parts of London.

#### Electrification of vehicles

Increasing the uptake of electric vehicles in commercial fleets and household vehicles is predicated on having sufficient charging infrastructure to give people the confidence to switch to a hybrid or fully electric vehicle. As well as citywide charging infrastructure, there must also be sufficient electricity capacity to charge these vehicles.

We believe that schemes should be prioritised that will unlock housing numbers and growth in jobs and businesses. Transport schemes are not ends in themselves, but are a vital part of the wider infrastructure the city needs to provide for its residents and businesses. Public realm can also contribute to the success of infrastructure projects, and opportunities to regenerate local areas, where appropriate, should be part of schemes. It is important to remember that schemes such as the Jubilee line have unlocked areas of London for growth and regeneration. Schemes such as these, that are ambitious for London, should continue to be considered.

<sup>1</sup> <http://www.londoncouncils.gov.uk/our-key-themes/transport/rail-and-tube>

We have outlined above the strategic infrastructure that London needs to support its growth. It is also important that the non-glamorous infrastructure needs, such as well-maintained roads and good signposting and public safety to encourage people to walk more, are also important to keep London moving. Improving step-free access onto transport must also continue to be a priority.

### 3. What opportunities are there to increase the benefits and reduce the costs of the proposed Crossrail 2 scheme?

TfL has already undertaken a lot of work to increase the benefits, not least by opting for the 'regional' route rather than the 'metro' route and by working with boroughs and local authorities along the route to develop plans for housing and regeneration. The regional route brings greater benefits to London as a whole and to outside London than the metro route. The balance has to be struck between providing a fast, reliable journey time, and increasing connectivity for a large number of communities along the line.

London Councils also believes that the traditional cost: benefit ratio using the WebTag business case methodology fails to fully capture the wider economic benefits that transport infrastructure can create in unlocking development sites. We want to see the government take Gross Value Added into account in its assessment of the value of new schemes.

The only options we consider that can reduce the overall cost are to:

- Shorten the route, which would reduce the benefits analysis;
- Reduce the number of stations the railway calls at, reducing connectivity, house building potential and benefits to residents and businesses at that location. For Crossrail 2, all but one of the proposed stations in the tunnelled section are interchanges with other lines, and relieving capacity on other lines is one of the main purposes of Crossrail 2.
- Phase the construction of the railway over a much longer time period, which could mean a lengthy construction project with a great deal of uncertainty and extensive disruption to residents and businesses. Phasing the project also risks not delivering the capacity benefits that London needs at the time when it needs them most (for example missing the opening of High Speed 2 at London Euston and the significant capacity constraints that will create without Crossrail 2).

Whilst we support efforts to reduce costs, we would need to understand the consequences of any of the options listed above more fully before we could support them.

Crossrail 2 needs to be viewed in the context of the significant housing benefits it offers, which should be maximised and are absolutely essential for London to prosper in the future. The links between London prospering and benefits to the rest of the country have been well documented. Stronger transport links can make a site more attractive to developers, increasing the number of housing units supplied. Unlocking sites for development in this way helps people to get to work more quickly and increases the attractiveness of an area for workers.

It will also be important to consider fully the interdependences between Crossrail 2 and other infrastructure that will ensure the benefits of Crossrail 2 are fully realised. Other infrastructure enhancements will improve the areas stations serve; free up physical space for the construction work to take place; and ensure that additional capacity provided by Crossrail 2 is not lost by bottlenecks on another piece of transport infrastructure such as the tube or rail network.

We also note that there are no real alternatives for London Waterloo without Crossrail 2. Even were the South West Mainline six-tracked, without Crossrail 2 the constraints would remain. One alternative is a fifth track all the way into Waterloo, although we understand that Network Rail considers this difficult and expensive. At the northern end of the Crossrail 2 route, four-tracking of the West Anglia line from Cambridge into the Lea Valley could potentially allow more trains into Stratford, though not on to London Liverpool Street. These upgrades would not support the full growth potential of the Upper Lea Valley.

At London Euston, costs could be reduced by planning for the comprehensive redevelopment of Euston station to incorporate the existing mainline station, the High Speed 2 station, and the Euston St Pancras Crossrail 2 station. By bringing forward the redevelopment of the mainline station, the costs of purchasing residential and commercial property, providing compensation, and the impact on those affected can be reduced; worksites could be shared; and a better station experience created.

#### 4. What opportunities are there to increase the benefits and reduce the costs of the proposed Crossrail 2 scheme?

- **What is an appropriate local and regional contribution - given the potential distribution of benefits to business, residents, transport users and the wider economy - and how could this be achieved?**
- **What innovative funding mechanisms could be considered to support delivery of key schemes?**

When polled, 79% of Londoners said central government should fund infrastructure, rising to 83% of 35-54 year olds and those with lower incomes.

Nevertheless, London boroughs support the proposals for London as a city to contribute half of the cost of Crossrail 2. As the beneficiaries will be residents and workers, it is appropriate that there are contributions from both. We continue to support a pan-London funding package, as exists for Crossrail.

London boroughs support the continuation of the Business Rates Supplement at 2 per cent for businesses with a rateable value of over £55,000, whilst acknowledging that this is a blunt instrument and can lead to discrepancies between businesses that pay and business that benefit. We consider there is scope for considering how businesses around Crossrail 2 stations could contribute where they would not be eligible to pay a Business Rates Supplement, striking a balance to protect small businesses. There is also broad support for the continuation of the Olympic council tax precept at its current level to fund infrastructure, although clearly this was not its long-term intended purpose.

London Councils has considered international examples of funding infrastructure but at present there is not the interest from London boroughs to pursue these further. Some central London boroughs have explored a visitor levy or hotel tax, but consider it more appropriate to raise this to fund services that directly improve the borough for tourists – such as street cleansing and public realm improvements.

We strongly believe that residents and businesses outside London who will receive the benefits of Crossrail 2 must also contribute in the same ways that London's residents and businesses are contributing – through a Council Tax precept and Business Rates Supplement. The Mayor does not have any authority outside London, but we would hope that the counties of Hertfordshire and Surrey could come voluntarily to an agreement with London to establish such funding mechanisms. This has been achieved before with the funding of the Lee Valley Regional Park.

We also note that TfL is exploring the contribution stamp duty from the sale of new homes and increased prices on the sale of existing homes could make to Crossrail 2. We believe this should be further investigated for its merit in funding Crossrail 2.

#### 5. How have major metropolitan areas in other countries responded to similar challenges and priorities? Are there any lessons to be learned and applied in London?

PwC's Funding and Financing Study explores in depth international models for funding infrastructure, which we have considered for their applicability to London.

Toronto, Canada, is responding to its city congestion problems with a two-stage investment in its transport system, focusing on bringing economic growth and job creation. It will build, extend and upgrade a series of light rail, underground and bus routes over a 25 year period.

Paris is establishing an equivalent authority to the Greater London Authority to improve its city transport connectivity with its suburbs. It is building a Grand Paris Express to link the centre of Paris with its airports and major economic areas in the greater Paris region.

Nottingham City Council has introduced a workplace parking levy on its employers which want to provide parking, to tackle traffic congestion, fund extensions to the tram system and fund their local bus network.