APPENDIX 1

TRANSPORT FOR SOUTH HAMPSHIRE 'REDUCE' STRATEGY

INDEPENDENT REVIEW

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Summary

1. The Reduce Strategy for South Hampshire is aimed at reducing the amount of car travel in the sub-region by use of a package of ‘Smarter Choice’ measures, and the use of land-use planning. Currently the programme is defined at the qualitative level of methods and approaches, not yet at the level of specific costed initiatives, but an overall notional budget has been suggested of £6m-£9m per year for the period to 2026/7. Taken together with the companion ‘Invest’ and ‘Manage’ strategies it is envisaged that travel will be more efficient, attractive and environmentally-friendly.

2. This report focuses more on the smarter choices element than the land-use planning. I would say that the preliminary work carried out by officials of priorities, balance of different measures, and potential represents current best practice in such planning exercises. It is well-informed and well judged. The evidence base that has been assembled was entirely up-to-date at the time of its production: there is some more recent relevant evidence particularly in the recent final evaluation report of the three ‘sustainable travel town’ exercises (for Worcester, Peterborough and Darlington) and this reinforces and strengthens the conclusions.

3. There are some unresolved issues that need further attention. The most important are the following:

4. By comparison with experience elsewhere, the suggested budget is adequate, but only if the supportive infrastructure and operations improvements (for example, cycle infrastructure, pedestrian improvements, bus operating improvements) are met from the Invest and Manage budgets, which is logical but not yet explicit.

5. The overall programme needs to be converted into a year-by-year implementation plan, and tentatively I conclude that this should not be based on a steady state spending pattern. The spending in 2011 and 2012 will be at less than the average rate as initiatives build up, spending from 2013 to about 2018 would have to be at a full implementation rate costing significantly more than the average, and then spending can be run-down to ‘maintenance levels’ thereafter when the full impact is reached. This profile is likely to be more efficient in maximising the impact on choices, traffic and travelling conditions.

6. At present the allocation of funds and effort to the Invest and Manage programmes is planned to be substantially greater than to Reduce. This can be

very effective but not if the type of schemes favoured under Invest and Manage are such as to undermine the effectiveness of Reduce by encouraging, rather than discouraging, more car use. Especially in the event of public expenditure constraints, it will be important to safeguard the rather small sums spent on the strategy against the pressures of bigger, but less beneficial, major infrastructure projects.

7. Given these points, experience suggests that there can be very high benefits in terms of value for money of the Reduce expenditure, resulting in wide-ranging improvements in congestion, quality of life, and environmental impacts. This is entirely consistent with both the former Government's policy objectives of recent years, government, and also the new coalition Government's preliminary programme shown in Annex 3, on which more information will become available in coming months.

Introduction and Overview

8. The 'Reduce' Strategy is one of three elements of transport in South Hampshire. It comprises a series of measures designed to reduce the need for travel, and journey lengths, and is seen in context of the other two parts of the strategy, which are 'Manage' aimed at making best use of existing infrastructure across all modes, and 'Invest' aimed at providing additional infrastructure in the most cost-effective way. The work is being developed by Transport for South Hampshire (TfSH), which coordinates the various local authorities.

9. There are somewhat different exact wordings of the objectives of the Reduce Strategy, but broadly they agree in aiming to reduce the volume of private car use in the sub-region, by a combination of reducing the overall need to travel, the average length of journeys, and the balance between car use and other modes.

10. I was asked to carry out an independent review of the Reduce Strategy. I started in January 2010, with a short interim summary report in January. This report extends and replaces that note.

Summary of the 'Reduce Strategy'

11. The Strategy is outlined in a document 'Reduce Strategy Main Report', September 2009, which is a substantial report of some 68 pages, and is supported by a collection of evidence and preceding working documents collated by officers over the preceding two years. There are two main strands of action proposed, namely **'Smarter Choices'** (formerly often called 'soft' measures), a package of several different policy instruments which encourage people to make more favourable choices by travel plans, guidance, marketing, and information, and **Land-Use Planning**, which would include development control and measures designed to minimise the number of car trips generated by new development . The balance of attention in the strategy is substantially on Smarter Choices, because this would require the most explicit new allocation of public funds and resources.

12. This 'Audit' report will not go through the Reduce Strategy report line by line commenting on every point. This would be rather tedious, involve a lot of repetition, and produce a report of 100 pages or more which would not be helpful (or within the resource or timetable constraints of the current exercise). For convenience, I make some overall comments using extracts from the Reduce Strategy's own summary as a basis, and then focus on what I consider the most important aspects. It is fair to say in starting that I am impressed by the professionalism, homework, and knowledge base of its authors: they have produced a serious piece of work whose competence matches any I have seen from other local or regional authorities (or, for that matter, national government).

Summary of Transport for South Hampshire Reduce Strategy Main Report, September 2009	**Overview Comments**
The Reduce Strategy is a key component of the overall Reduce – Manage – Invest approach for addressing transport issues across South Hampshire.	I recognise that this is certainly the intention, but the details of the 'Manage' and 'Invest' components are not yet worked up at a level of detail to ensure that this is a coherent overall strategy. From earlier indications, some elements may require further work to reconcile unintended effects, especially those elements of the Invest Strategy, and some parts of Manage, which could have the effect of increasing car use and offsetting or overwhelming the effect of Reduce.
Reducing the demand for travel, particularly by private car, will be essential if the travel demands of new sub-regional development are to be accommodated.	I think this is correct. There are no technically and financially feasible strategies that could reduce the level of congestion in particular unless private car use is reduced. In the absence of policies such as road pricing, this means that other methods of doing so are not just desirable, but as the Strategy says, 'essential'. There are ways that this assumption can be tested for greater confidence.
The Strategy will seek to have a significant influence on travel behaviour and demand generated by new development, but also recognises the importance of reducing travel demand from existing development	There is a difference in time scales and orders of magnitudes of these two effects. In the short run, large local effects can be gained by controlling the nature of demand at new developments, but they are a small proportion of the total demand. Much bigger short term impacts overall can be obtained in the short term by influencing the choices which govern the way people use existing development. (Some assessments have suggested that the scope for reducing travel demand by more efficient and environmentally sustainable use of existing development in any given year is of the order of 5-

	10 times greater than the impact from new development). However, over time the cumulative effects of new development become more important.
The Strategy has broken down measures into two key areas	The Strategy correctly notes that there is no hard line between car-reducing measures in the Reduce Strategies, and those such as public transport improvements, which are in the Invest or Manage Strategies.
Smarter Choices includes a range of softer measures, such as Travel Planning and Individualised Travel Marketing, which aim to influence more sustainable travel behaviour. The Implementation Plan has recommended the roll out of an intensive Smarter Choices programme across the sub-region	It is worth noting that there is no single stable definition of which measures count as 'Smarter Choices' – some studies include tele-shopping and tele-conferencing, for example, and others do not. This means that the practical application of Smarter Choices does not start until one has listed the specific measures to be used, and the level of resources applied to each. This approach underpins the detailed discussion in the Reduce report. (See also comparison of the three Sustainable Travel Towns in Annex A).
Land Use Planning outlines how the Strategy can be applied in new developments. As well as requiring a range of Smarter Choices measures, there is a need for appropriate policies, particularly within Local Development Frameworks, that can positively influence the location, layout and design of new development to minimise the demand for travel by car, including appropriate car parking standards.	I endorse this in principle. It is worth noting that the best intentions in development control are sometimes abandoned (or indeed over-ruled) in the negotiations on particular developments. There does need to be strong leadership, clear and consistent guidelines, and determination in applying them.
A detailed study has been made of what levels of behavioural change the Strategy could achieve. In overall terms, the long term intensive application of a Smarter	This estimate is broadly consistent with the available research and monitoring studies elsewhere, though towards the upper limit of actual achievement. Sometimes there is confusion between

Choices programme could result in a 15% reduction in peak hour traffic flows in urban areas. Even greater reductions should be possible in new developments, due to the additional controls provided by the land use planning process.	reduction in *car* traffic (which is mainly affected by Smarter Choices measures) and reductions in *all* traffic (in which the amount of commercial, service and freight traffic has to be considered also). Here the figure refers to all traffic, though only for the peak hour. For comparison, the 'high' projection in earlier studies has been for an 18% reduction in urban car traffic. The figure does seem achievable, but would need working for. It does not take into account the effects of population or employment growth.
The cost of implementing the Strategy has been considered. An intensive **Smarter Choices** programme would be the most costly element and when rolled out across the whole sub-region could cost from £6m to £9m annually at current prices.	It is important to underline that this figure is significantly greater than the 'marker' of £17m applied to the Reduce Strategy in the 2008 list of Transport Strategic requirements for the whole period to 2026. That figure would have represented less than 1% of all transport expenditure and not been nearly enough. My suggestion for funding would be broadly consistent with the upper part of the range £6m-£9m annually over the period as a whole, but not evenly spread, and with more need for front-loading than back-loading.
Land use planning initiatives could generally be achieved without cost to local authorities	It is important not to forget that effective land-use planning, especially of a pro-active kind, does require good quality staffing, and resources do have to be spent to secure this.
An implementation plan has been developed with detailed recommendation for the range of identified measures that make up the Reduce Strategy.	The discussion of a variety of different instruments, and their suitability for different parts of the sub-region, is well-informed and thoughtful. At the current stage it is mostly qualitative not quantitative, so further technical and financial work is necessary which my comments will not try to prejudge. I think the current stage is a good one, and look forward to the fleshing out of detail in

	the early stages of implementation. (However it would be important to move to the 'action' stage speedily, rather than spend some years in successive versions of plans).
The Reduce Strategy is policy compliant with the Goals and Challenges defined in Delivering a Sustainable Transport System.	This was clearly correct at the time the report was written, and implied entirely favourable support (moral or financial) from the DfT for the Reduce Strategy. After the report was written, the Transport Innovation Fund was replaced by announcement of a new Urban Challenge Fund, within which Smarter Choices would have had a *higher* role than previously (since road user charging was to have a lower one). More important, the new Government has already identified sustainable travel initiatives among the key headline priorities of its programme: current ongoing work on value for money in a constrained financial context is reinforcing this conclusion.

Characteristics of the Area: Implications for Potential Use of Smarter Choices

13. The South Hampshire sub-region covers Portsmouth, Southampton and part of Hampshire. It currently has a population of approximately 1m people (2006) of whom 228,000 live in Southampton and 196,000 in Portsmouth. By 2026, the total population is predicted to increase to 1.09m people. It is notable that altogether over 60% of the population live in districts with a population density of over 1500 people per square kilometre, the rest being spread over districts with a density of less than 250 per square kilometre (but even there, over 150). The sub-region is therefore predominantly urban and even the rural parts are mostly fairly close to a town, and with significant population density. The 2001 Census showed high use of car for journeys to work – 60% as driver, plus 6.2% as passenger – which is somewhat more than the national average for England, with walk at 10.6%, and cycle and bus each at 4.6%. Two thirds of all journeys to work are less than 10 kilometres in distance. Congestion is a problem, and is expected to grow.

14. Although there are not yet very clear professional guidelines for different approaches that would be suitable for conurbations, other towns, suburbs and rural areas, the general experience is that the most successful initiatives so far have been in or around urban areas, with a high proportion of short car journeys, and a supportive wider policy framework in particular concerned with infrastructure and operations improvements favouring walking, cycling and public transport. The scope for making big (proportional) changes is obviously greater if the starting point is high car use and low use of other modes. The benefits of congestion reduction are higher if congestion itself is already, or is expected to be, a significant problem.

15. Therefore in many ways, *South Hampshire represents very favourable potential conditions for the use of Smarter Choice methods.* There are also few or none of the specific problems of deep rural areas with very low densities far away from any urban settlements, or those where a dominant proportion of all car travel is to very distant widely spread destinations.

16. Car ownership is high, and no doubt social research would show that there is a significant proportion of car-dependent journeys, and a general mood sometimes described as the 'love affair with the car' (now often cooler than it once was), but with no reasons that I am aware of for thinking that this is substantially different from other areas of the country. The sub-region does not benefit from the very high levels of public transport provision seen in London, but the initial overview strategy suggests significant spending on improvements to public transport.

17. Taken as a whole, there do not seem to be any very specific risk factors peculiar to the sub-region. There will however be a need to consider the experience of other places for more general risk factors and conditions for success, which I discuss below.

Resources

Total Spending

18. £6m-£9m per year translates to £6-£9 per head of the population per year of the whole sub-region, or (say) £9-£12 per head if it were all going to spent on the most urban districts (though this is not intended).

19. This is less than the expenditure of the three Sustainable Travel Towns, which was about £10 per head of the population on average, or £11 at November 2009 price levels. However, a crucial aspect of the appraisal of the three towns is that they did *not* implement the full intensive strategy as proposed in the 2004 study (and which has been used as the basis for the TfSH estimate of potential demand impact). The 2004 recommendation was for an allocation of about £17 per head at 2003 prices, or £20 at November 2009 prices. This was to include a proportion of activity in rural areas also. This would convert to £20m a year if applied to the whole population of the sub-region, or £13m per year if there was only spending in the more urban districts.

20. Thus prima facie the expenditure proposed in South Hampshire is not enough to get the larger demand effect estimated in the 2004 report, but is close to enough to get the smaller (but still substantial) effect achieved in the three towns.

21. However, the above figures are not on exactly the same basis, for two reasons.

22. First, the treatment of staff costs and capital expenditure costs was not the same in the 2004 report and the Sustainable Travel Towns evaluation. Reconciliation is not entirely straightforward, but the key conclusion of relevance to South Hampshire is that some of the necessary supporting capital expenditure will (or can) be funded through the 'Invest' budget not the 'Reduce' budget: for example in infrastructure elements which might include cycle lanes, pedestrian facilities, etc. This will become clear as greater definition of the Invest Strategy proceeds. Similarly there are elements of the 'Manage' strategy which can provide supporting budgets for bus service improvements. There is also an additional cost of the professional staff necessary to implement the programme, which has funding requirements. *Provided that these clarifications are made early and firmly, my judgement is that the suggested £6m-£9m a year **is** adequate to achieve the higher impacts envisaged in the 2004 report – especially if the eventual figure is towards the higher end of that range, at 2009 prices.*

23. In terms of funding, the Strategy has also made an assumption about effectively doubling investment in walking and cycling infrastructure across the sub-region to complement the Smarter Choices work. There is also an understanding that additional resources should logically be allocated to public transport funding, though this has not yet been determined. There is not yet sufficient experience to produce a firm rule of thumb about how much investment in supporting infrastructure is required to

supplement an intensive Smarter Choices programme, but a review of evidence on estimated value for money of different sorts of transport expenditure suggests that an increase in spending on walking, cycling and at least some sorts of public transport improvements would be robust in their own terms, with a potential for mutual synergy. This is discussed further below.

Phasing

24. The second consideration is that the Strategy has not yet been converted into a year-by-year action plan. This is crucial for implementation as it is not ideal to have a uniform rate of spending over the whole period. The issue of phasing and build-up then becomes important. There are two aspects of phasing that may be important: first, the logic of how the organisation and implementation of a Smarter Choices programme builds up and has an effect on behaviour, and secondly how it interacts with the timing of other specific initiatives especially new developments.

Building up a Programme

25. The 2004 Smarter Choices report recommended a national roll-out strategy in which there was a **ten-year** build-up of resources and commitment. The reasons for this were primarily practical and political: it takes time to recruit staff, carry out detailed design, get initiatives in place (given that you can't do everything at once), and also win confidence and commitment among policy-makers. The ten years took account of different enthusiasm in different authorities, not a single national profile.

26. In any one area, of course, the period should be somewhat shorter. The three Sustainable Travel Towns had a **five year** programme, with the main appraisal and expenditure in the first four years (after some lead-in time corresponding with the current planning stage in South Hampshire). At the end of the four years, it is true that the impacts in the three towns were less than in the 2004 high intensity strategy, but that does not seem to be connected with the shorter appraisal period, because the expenditure was less also. Therefore it seems reasonable to aim for a four-five year build-up period, rather than a ten year period.

27. The issue then is that when the strategy is operating at full strength, does it need to be pursued at the same strength for the whole period until 2026 and beyond, or can one reduce the level of spending to a 'maintenance' level to sustain the impact?

28. The evidence on this is not yet decisive, but there are current discussions on this topic and the thinking of some of the specialists in the field (including myself) is as follows.

29. Behaviour change brought about by Smarter Choices measures does have a lasting effect, but not a permanent one. This is for two main reasons. First, people move homes and jobs, and change their personal and family circumstances. This means that their situation changes and they therefore need to 'relearn' the lessons and new behaviours for the new situation. (New residents moving into the area similarly need

to go through the same process of responding to continuing initiatives). Secondly, as long as the dominant cultural trend in society is one that is favouring the 'superiority' of car use over other modes, there will be some tendency to relapse into former car-based habits. In that sense, the benefits of some of the smarter choices measures are not like infrastructure improvements which last (given maintenance) for ever, and which are normally appraised over a 60-year period.

30. Consideration of evidence on frequency of moving and other life events, and on analogous research on the delayed effects of fuel price changes and public transport fare changes, led the authors of the 2004 report and the Sustainable Travel Towns appraisal to suggest a default assumption described as a decay rate of 40% per year: this means that if one stopped expenditure completely, 40% of the achieved behaviour change would be lost each year, in a somewhat drawn out process where there is little residual impact by five years later[1]. This figure is not a universal truth: it will change according to prevailing conditions in the area. For example a more stable population will have a slower rate of loss than a volatile and swiftly changing one. Similarly it is known that some groups or segments of the population respond more, or more swiftly, then others, so careful targeting[2] can help to maximise and prolong the effect.

31. The implication of this is that after the full intensity of implementation is reached, the effects can be sustained by reducing the continuing expenditure to about 40% of its maximum level.

32. There are also considerations of initial impact, public relations and support, and momentum. The infrastructure elements also need to be in place as early as possible.

33. This might suggest a very strong up-front investment, starting to recruit staff and start on the early initiatives as soon as possible, over the first couple of years. The level of implementation would then build up to the maximum planned level over years 3-5. For reasons of caution it would be sensible then not to immediately reduce it, but to keep at that level for a further two years as the impacts are monitored and consolidated. Thereafter (and subject of course to experience), it can be envisaged to reduce the expenditure to a level of about 40% of the maximum for refreshment and reinforcement, sustaining that throughout the rest of the period.

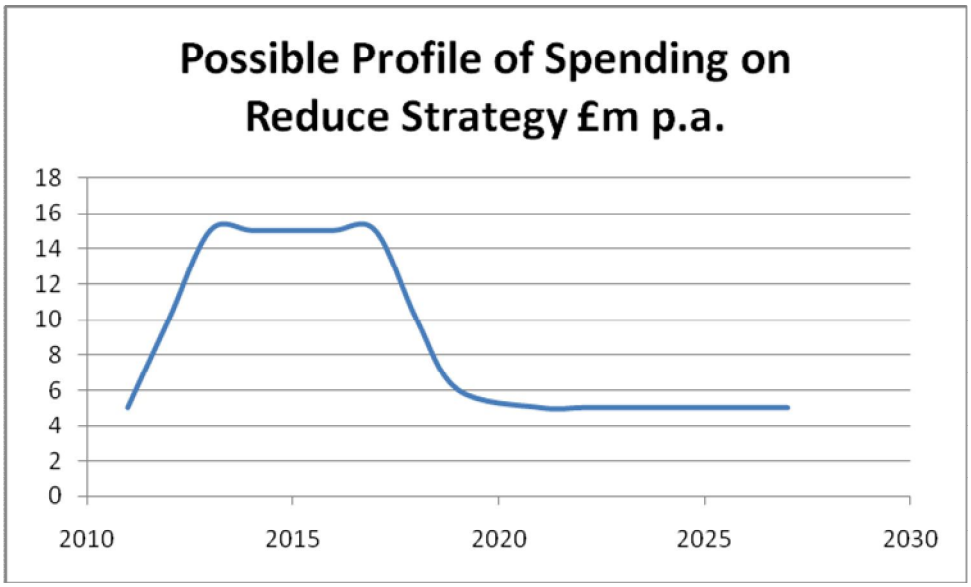
34. Therefore taking the 2011-2027 period as a whole, and for the sake of argument a total budget of £150m[3] at 2009 prices, in outline terms I would suggest for

[1] It does not all disappear in 2.5 years – the first year one loses 40%, the second year 40% of the remaining 60%, and so on, on a declining curve. There is still some very small effect left even ten years later. The calculations here are a somewhat modified and simplified version of those used in the 2004 report and the 2010 Sustainable Travel Towns appraisal.

[2] There is considerable interest in targeting and segmentation so that effects are maximised. Some evidence and studies are available which will help to improve the detailed design of measures and initiatives.

[3] Ie 17 years at £9m a year, which gives £153m, rounded down.

consideration a phasing of annual expenditure building up from £5m in the first year, £10m in the second, a full implementation of £15m from year 3 sustained for five years, and then reducing down to a maintenance level of £5m-£6m subsequently, representing an average annual expenditure over the whole period of slightly less than £9 a year, which is within the range planned, but with what I consider – tentatively, at this stage - to be the optimum profile from the point of view of effectiveness. The profile depends on supporting expenditure in the Invest and Manage programmes. This pattern is shown in figure 1.



Interaction of Smarter Choices Phasing with Land-Use and Other Developments

35. The other important issue is applying the Strategy at the right time as new developments (and consequently additional travel demands) come on stream (S6.2 of the main report). Here there is indirect evidence that the very early stages of forming travel habits when people move to new homes or new workplaces can be crucial both positively and negatively: there can be an openness to new choices but if that window of opportunity is missed it may be more difficult to have the same impacts later. It follows that it is important to have sustainable travel opportunities available, at the point when new residents or employees arrive, and at least clear expectations during preceding months when they are making their plans to move, investigating the new area, etc. The same applies logically (though there is less evidence that I am aware of) in terms of new shopping facilities and other developments. If there is a period of uncertainty and delay until people 'settle in', the most likely effect is that they will settle in with high car use, and it will take proportionally greater effort to change this later.

36. Of course, this means that not only must the right opportunities be there, but also people must be made aware of them: new residents, employees etc will be in a more open and enquiring state of mind during the period of planning and carrying out their

move, so this is a good time for the use of information-based smarter choice measures including personal travel advice and local marketing initiatives.

37. There is a particular issue when the new developments are such that in themselves they are more likely to increase car use than reduce it, such as road improvements, car parking facilities, etc. There is evidence, for example, that the additional traffic induced by a new bypass can be greater than the reduction in traffic brought about by traffic restrictions in the bypassed town centre. Timing can help, by ensuring that there is no gap during which the extra capacity fills up with traffic before the other measures are carried out, but overall the issue here is one of the overall consistency of the invest, manage and reduce measures.

38. The Strategy as a whole works on the basis that the Land Use Planning process can make the application of Smarter Choices initiatives, such as travel plans and good design, a mandatory requirement for new development, optimising a reduction in the number of car based trips compared to a scenario where new development is implemented without any measures to encourage the use of alternative modes to the private car. In the SDAs for example, the whole development should be designed to positively encourage walking and cycling for local journeys through innovative and good quality street design. It should also be spatially designed to ensure that people have good accessibility and proximity to their day to day needs without using a car. By comparison, in existing development, there is no legal obligation to retro-fit such measures, though there can be some effects from informal agreement with existing tenants and owners, and potentially substantial investment to retrofit street designs that positively promote walking and cycling. (German practice on pedestrianisation, for example, often includes contributions from existing frontagers to improve street quality next to their shops- to their own benefit). This has not yet been established in usual UK practice.

39. However, even within the same land-use pattern, substantial effects can be gained from choices of location: people can work, shop and carry out other activities closer to home or more distant even if there are no changes in designated use at all. Existing development will still generate the majority of travel demand and needs to be actively targeted by a Smarter Choices programme, to deliver the levels of overall traffic reduction that will be necessary to accommodate planned growth.

40. In this respect, it is helpful to distinguish between two different basic motivations in seeking to reduce car travel demand. A broad objective is to address existing congestion problems, and the negative effects of excessive car use including global and local environmental impacts, and health. For these objectives, it is necessary to seek an absolute reduction in car traffic levels. On the other hand, when the objective is to reduce less necessary car traffic in order to accommodate growth in more important traffic or new developments, then it is the specific spatial and structural pattern of traffic that counts rather than the overall volume. That will require detailed local application which cannot be done at the overview level in this report, and will

also require quite active and continual monitoring, since the state of the art of traffic modelling and forecasting does not allow complete confidence that the effects will actually work out as planned.

41. The implication here is that the strategy as a whole may need a serious degree of continuing monitoring, with fine tuning and correction of problems as they become apparent.

Staffing Requirements

42. The three sustainable travel towns built up professional teams of 6-8 staff per town, equivalent roughly to one per 15000-20000 population: given the level of initiatives (ie at about half the full level proposed for the ten year period of the 2004 report) that seemed to be adequate for the initiatives undertaken. But it was notable that one of the areas where the three towns did not perform as well as the potential from elsewhere was in encouraging workplace travel plans, which requires persistent working with local employers (and at a level of seniority[4], experience and authority of staff which employers will take seriously). These initiatives are important as they help to address the medium and some longer distance commuting trips by car which are a substantial proportion of total traffic.

43. Clearly a big town or area will need more staffing than a small one, but not proportionately. In the case of South Hampshire also, there is the feature that there will be connected programmes in several, or all, the different settlements, and while detailed local knowledge is essential it does not follow that every district needs its own completely separate team.

44. Given these considerations, it seems likely that the suitable level of staffing in the sub-region as a whole might be somewhere in the range of 30 to (at most) 60 professional staff for the build-up and peak level of implementation, reducing later to less than half that. This is compatible with the general level of expenditure discussed above.

45. It would be useful to consider the suitable organisational form of the staffing, possibly in a sub-regional wide unit but with a good spread of local knowledge. I do not think I am sufficiently close to the circumstances to make a specific recommendation on this at present, but the principle is clear that there will need to be a sufficiently large staffing resource that recruitment or designation will need to be planned and organised with thought, not merely added as an afterthought to existing responsibilities.

[4] It is sometimes the case that authorities allocate rather junior staff to Smarter Choices, because it is a new field and until recently has not fitted well into professional career structures. That ought to be a temporary feature. For successful implementation at the scale planned it is essential that the staffing should fit into career development, promotion possibilities, and normal balance of seniority, not be seen as a temporary work-experience for junior staff.

Interaction with Invest and Manage Programmes

46. When considering the programmes as a whole, there are two key issues about how the Reduce, Invest and Manage programmes interact. First, there is the issue of consistency of content. Secondly, there is the issue of robustness to a period of financial stringency.

47. It is now almost universally agreed that the success of smarter choices in encouraging sustainable travel patterns is influenced by, and sometimes dependent on, the implementation of other policies. The types of interaction most noted include:

48. Where car use is reduced and this reduces congestion, there can be induced traffic with other road users 'taking up the space' vacated by those whose behaviour has changed: these can be other motorists, traffic travelling through the area, or some classes of freight or service vehicles. Therefore policies in place to influence induced traffic can be as relevant when considering smarter choices as they always are when considering road building. (This 'locking-in the benefits' is a key element of any policy whose first direct effects are to reduce congestion and delays, or to make travelling conditions more attractive).

49. In other cases, deliberately providing road space for priority categories of travel (by reserved lanes for buses or bicycles, wider pavements for pedestrians, reserved parking for residents, road-space oriented traffic calming measures in residential areas, and large pedestrian shopping and cultural areas) both protects the benefits and also reinforces them.

50. Some types of new infrastructure are specifically oriented towards reinforcing the same policy objectives, eg cycle-ways and bus-ways.

51. The pricing of transport opportunities – including fuel costs, taxation, bus fares, concessions, parking charges, and road user charging when adopted – will also have a substantial impact on the relative attractiveness of different modes. This is the case whether they are deliberate policies or are determined externally by forces outside the control of the authorities.

52. It must be recognised that not all interactions are positive and reinforcing. In some cases, other policies may have effects exactly counter to the Reduce Strategy, undermining or even overturning it: these could include land use developments encouraging longer distance travel such as the more distant location of hospitals, schools, shops and places of employment; or road and parking schemes with significant induced car travel.

53. None of these issues are specific to South Hampshire, or completely new. The particular issue in policy terms however arises if the grey areas between the Reduce, Manage and Invest strategies are not managed together, and consistently.

Interaction in the context of public expenditure constraints

54. The 2008 'Towards Delivery'[5] Statement made an initial assessment of the programme costs for 2009-2026. Table 1 below gives my short summary, over the whole period. The amount allocated to Reduce at that stage was only £17m total, but this was just a marker and I have replaced it by £150m as above. I have also added a new speculative column, in which it is assumed that the total of resources available is cut by around a quarter. These figures might represent a context of some financial stringency lasting quite a long period.

55. The purpose of these entirely speculative figures is simply to discuss in very broad terms what the likely impact between the different arms of the strategy might be, given that the details have not yet been worked out.

Transport for South Hampshire: Proposed transport requirements to 2026

Type of Expenditure	Total 2009-2026 £m	Reduced budget £m
Motorway Junctions, Widening	481	350
Active Traffic Management Motorways	306	250
Strategic & other Traffic Management on L.A. Roads	161	130
New Roads and Junctions	577	430
Railway/Interchange	343	260
Bus Priority etc	369	300
Park-and-ride	45	30
Information systems and other management	87	70
Other Measures	83	70
Reduce	150 (formerly17)	110
TOTAL	(formerly 2469)	2000

[5] http://www3.hants.gov.uk/tfsh-towards-delivery-april-2008.pdf

56. I have then divided the categories up into three broad classes: those whose effect is likely to **increase** the total volume of traffic, marked in yellow[6], those which are potentially able to **reduce** the volume of traffic, marked in blue (and including, but not confined to, the Reduce strategy), and those which could go **either way** according to the way they are implemented, marked in purple. Looked at in this way, over half the allocation would be on measures whose own effect (intended or otherwise) is likely to increase the volume of traffic, and around a third is planned on projects whose effect is likely to reduce traffic. The net impact would need very detailed calculations, but prima facie it seems more likely that that pattern of spending as a whole would have the effect of increasing traffic to a greater level than it would be without the programme, and it would be surprising if allocation of around 5% of the total funding to the Reduce Strategy on its own could reverse this balance.

57. The effect cannot be judged in detail at this stage, but my judgement is that there is a potential warning of possible difficulties here, which I would commend for closer scrutiny in the work programme as it develops.

58. If it were decided to allocate more funds to the Reduce Strategy, this would require allocating less under some other heads, but not necessarily huge amounts. Even doubling the total spending on Reduce would only require some 5% cuts on other programmes. My message would be, don't reduce 'Reduce'.

59. In this analysis I have highlighted the need not to cut reduce, as a high level priority. In the event that this protection is unsuccessful, and there is not sufficient budget to carry out the full programme of Smarter Choices measures, the question would arise of what specific measures within that programme should have priority, and where.

60. The experience of the Sustainable Travel Towns in this regard is that they allocated a higher proportion of their budget to personalised travel planning than had been envisaged in the 2004 Report: these measures are relatively expensive in public expenditure terms, but can be delivered without the need for complex and possibly long negotiations with other stakeholders. They also delivered most of their initiatives within the urban area, with little consideration of surrounding settlements and rural areas.

[6] To comment in detail on the Invest and Manage strategies goes beyond my brief, and in any case the preparatory documents are not yet ready. However it is worth saying that traffic management *could* be used in such a way as to reduce traffic not increase it, though usually isn't: this relates to the boundary between 'traffic management' which is mostly connected with speeding up traffic flow and making journeys more attractive, and 'demand management' which is often concerned with reducing the amount of car travel. Similar technical methods can be used for both purposes. This would become particularly important if traffic growth outpaces the expansion of capacity, which is quite likely, in which case travel conditions would get worse in spite of the extra capacity. This has been a very common experience of many 'Invest'-type strategies.

61. There is not yet a clear set of guiding principles on this question: my own orientation would be to focus on the urban and inner suburban areas in terms of direct initiatives, together with a greater emphasis on location-based travel plans (workplaces and major centres of activity) which would then have some effects on the journeys to that centre from a wider area. But this then is conditional on the specific aspects of new development discussed above: where the need is to reduce car use to provide for growth generated by favoured new developments, then the specific location and character of those developments will impose a set of priorities on allocation of resources which cut across consideration of urban-suburban-rural in general.

62. An alternative approach, if the overall Reduce budget is insufficient, would be to select only a part of the sub-region but make intensive full-scale implementation there, to provide demonstrable and visible impacts which would increase confidence that the strategy is worthwhile elsewhere at a later stage (rather than a low level of impact spread more uniformly). There would clearly be serious political choices in this strategy.

63. This clearly will require quite close local attention. It might be worth mentioning a word of warning against trying to plan, for a 15 or 20 year period, at very fine detail, to cover all possibilities, in advance. The result would be longer and finer plans but the work of the Smarter Choices team would be in continuous drafting and planning: their role however, is essentially not a planning unit, has to be an action unit, to go out to make things happen. There is a balance to be struck here, but I do note that the work of the TfSH team has already reached a level of more detailed definition than was the case before many successful initiatives in other areas.

Concluding Comment: Testing whether the Reduce Programme is Essential

64. The TfSH strategy states that Reduce is 'essential', not just desirable, and it is useful to set this claim in a broader context. There is always a policy debate about whether a sufficiently ambitious programme of road building would be able to reduce congestion costs without needing to influence people's behaviour to reduce their car use. Very substantial forecasting, modelling and appraisal exercises are routinely carried out on important specific road projects, but a problem of using them for strategic purposes is that the measure of 'benefit' used is almost always a comparison of traffic conditions etc 'with' the scheme against a base of 'without', and this does not tell you in itself whether overall conditions are getting better or worse. In practice, the unstated reality is usually that traffic congestion is forecast to get much worse without the scheme, and worse but not so much with it, the difference being described as an 'improvement'.

65. In considering whether the reduce strategy is essential, it is necessary to reinterpret the appraisal of other policies, especially big increases in capacity. This can usually be done by careful scrutiny of the technical appendices of big road scheme appraisals, looking not for measures described in words such as 'benefits compared with base

line projections’ but those which are ‘travel conditions overall in the forecast year compared with the base year’. This tells you whether the expansion of road capacity is making things better, or just slowing down the pace at which they get worse. It is necessary to ensure that the appraisals used for this purpose have been carried out with full estimation of traffic growth due to expected or planned development, and the induced traffic caused by increases in road capacity in conditions of congestion, which is particularly important if there are signs of ‘suppressed’ or ‘latent’ demand for car use and if there are a number of small scheme appraisals which have not considered induced traffic separately.

66. Such examinations are not routinely carried out, as they tend to be rather embarrassing to scheme promoters, and they are not strictly required according to the DfT guidelines for scheme appraisal. However, they are not particularly difficult (given a number of worked-up scheme appraisals) and they are always extremely useful in giving strategic insight.

67. My hypothesis would be that full implementation of all the road schemes in the programme or wish-list would not be sufficient to make improvements against unimpeded traffic growth. In that case, the argument that the Reduce strategy is ‘essential’ is supported on congestion grounds alone. Considerations of environment, safety and health will reinforce this in any case.

68. I would recommend such an analysis, as it will also be very informative in considering which elements should be safeguarded in the event of overall cuts in budgets, which seem very likely.

Annexes

Annex A Extracts from Final Report on the Sustainable Travel Towns

Extract 1: Summary

Background

Darlington, Peterborough and Worcester are all medium-sized, relatively free-standing towns, located in the north and middle of England. Following a competition, they were designated 'Sustainable Travel Towns', implementing a programme of measures from 2004 to 2009, intended to reduce car use. Taken together they spent £15 million, of which £10 million was special Government funding provided by the Department for Transport.

Baseline surveys in each town in 2004 showed that traffic growth was a significant issue of public concern, with between 80% and 94% of respondents considering it to be a problem. The same surveys showed strong public support to give more sustainable transport modes (buses, walking and cycling) a priority in transport policy.

There were some differences in local conditions and problems, and each town made its own choice on how much to spend on each of a range of different measures. They all spent most on personal travel planning (from a third to nearly half of revenue spending), followed by travel awareness campaigns, promoting walking and cycling, and public transport marketing. Smaller amounts were spent on workplace and school travel plans. The programmes were implemented by teams of 6-10 staff in each town.

The main period for assessment of impacts was 2004 to 2008, taking care, as far as possible, to avoid confusion with the first impacts of recession at the end of 2008.

Data and Analysis

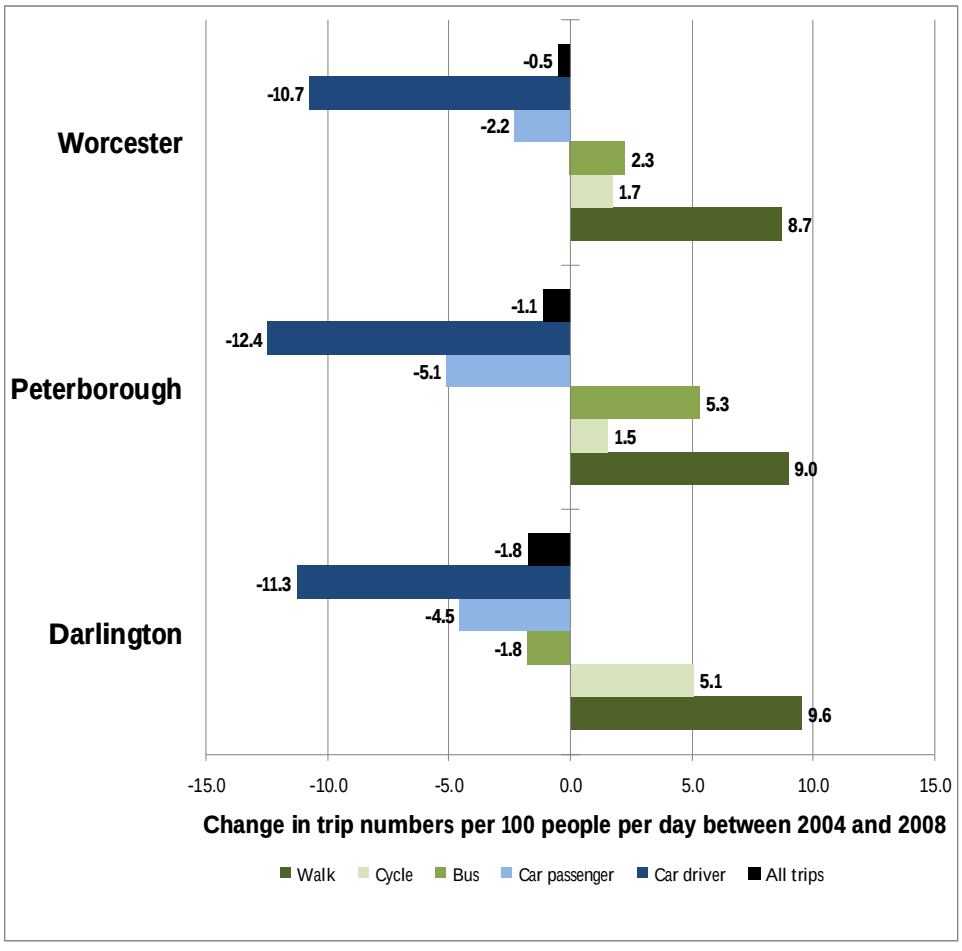
The main data sources for the towns were: detailed travel surveys in 2004 and 2008, with over 4,000 respondents to each survey in each town each time; smaller interim household surveys in some areas; some surveys in schools and workplaces; counts of bus passengers; automatic and manual counts of cyclists; manual counts of pedestrians; and automatic and manual vehicle counts. In addition, comparable data were used for other medium-sized towns nationally, namely household travel survey data from the National Travel Survey (NTS), and traffic counts from the National Road Traffic Estimates (NRTE).

Thus the travel survey results were compared with the patterns shown in the counts for the towns, and both were compared with NTS and NRTE data for other towns of comparable size. As in all such comparisons, results are subject to some caveats due to differences in survey methodology; geographical coverage; the subject under measurement (e.g. residents' car mileage in the household surveys, versus 'all car traffic' in the count data, which includes travel by non-residents); and definitions and reliability of the different data sources. Considerable care was therefore required in interpretation.

Trip-making by each mode

Taking all three towns together, the total number of trips per head made by residents reduced slightly. Car trips per person reduced and trips by more sustainable modes increased. The figures showed a similar overall pattern, but marked differences in detail, from town to town. These are summarised in Figure 1.

Figure 1 Changes in numbers of trips by residents between 2004 and 2008



Notes: Data are for numbers of trips of <50km, weighted dataset. Base: between 11,954 and 12,909 trips by approximately 4,000 respondents in baseline and ex-post surveys in each town. Trips by other modes not shown for purposes of clarity. For an indication of scale of change, absolute number of trips <50km per 100 people per day in 2004 (aggregated dataset)=292, of which walk=72; cycle=9; car driver=124; car passenger=63; bus=20; train=1; other=3.

The analyses gave the following key results:

Car use: Car driver trips by residents fell by 9% per person, and car driver distance by 5%~7%, according to aggregated household survey results for the three towns. This compares with a fall of about 1% in medium-sized urban areas over the same period, based on NTS data.

Prior to the economic downturn, the volume of traffic observed on-street in all three towns reduced by approximately 2% across the whole urban areas, with reductions of 7-8% observed in the inner areas. Once the economic downturn began, there is evidence of further town-wide traffic reductions in the order of 0.5-1%, which were broadly in line with national trends. The difference between the household survey results and the traffic counts is mainly due to population increases (particularly in Peterborough), employment increases (particularly in Darlington), journeys in the towns by non-residents, differences in geographical coverage and definitions of the data, and, possibly, some induced traffic, though this was probably very small.

Bus use: Bus trips per person grew substantially, by 10%~22%, compared with a national fall of 0.5% in medium-sized towns. The bus growth primarily occurred in Peterborough and Worcester, with a less positive trend in Darlington (in part due to the nature of competition between two operators in that town).

Cycling: The number of cycle trips per head grew substantially in all three towns, by 26%~30%. Darlington (which was also a Cycling Demonstration Town) showed the greatest growth. Meanwhile, cycle trips declined in medium-sized towns elsewhere.

Walking: The number of walking trips per head grew substantially, by 10%~13%, compared to a national decline in similar towns.

Patterns of Demand

More detailed analysis shows:

- While the reduction in the number of car trips per head was proportionately greatest for short trips, the biggest reduction in car distance travelled (hence traffic) was from medium-length and longer trips.
- There were indications of complex behaviour change, involving transfers between modes, changes of destinations and changes in trip numbers, not all of which can be fully analysed with the available data.
- The biggest reduction in car driver distance came from changes to leisure trips, then shopping and work-related business. This pattern was consistent with the relatively low emphasis on work-trips in the interventions chosen.

- The biggest falls in car driver mode share appear to have been among groups either at a point of change in their lives (at college, looking for work, or recently retired) or on a reduced income. There was a smaller per head reduction in car trips by those in full-time work, though this still constituted 40% of the total reduction.

Assessment of Success

Overall, the Smarter Choice Programmes in the towns contributed positively to objectives of supporting economic growth, reducing carbon emissions, increasing health, promoting equality of opportunity, and improving quality of life.

The estimated outturn costs of the programme were £10 per person per year (roundly £11 at November 2009 prices), including both capital and revenue expenditure. We estimate that the cost per car kilometre removed was 3.6 pence (4 pence at November 2009 prices). On conservative assumptions, the implied benefit-cost ratio of the achieved outcome in the three towns, allowing only for congestion effects, is in the order of 4.5. Including environmental, consumer-benefit and health effects on the basis of recent Department for Transport modelling could broadly double the congestion-only figure. We judge that a full benefit-cost ratio for forward projection, comparable with other transport investments, including a longer term assessment of both costs and effects on demand, is more likely to increase the figure than reduce it.

The report makes recommendations to assist local authorities in planning and delivering a successful large-scale Smarter Choice Programme, covering issues such as staffing requirements, engagement of stakeholders, the need for complementary measures, and important elements of the overall programme. It recommends giving somewhat more attention to measures aimed at work travel, and to capturing changes in travel over time at an individual level.

It is concluded that the current evidence base is sufficient to justify a substantial expansion of implementation of Smarter Choice Programmes.

Extract 2: Inputs: funding and staffing levels

Over the course of the five years, on the basis of outturn and budget information supplied by the three local authorities, effective expenditure for the Smarter Choice Programme was estimated to be £4.4 million in Darlington; £6.8 million in Peterborough; and £4.4 million in Worcester (RR3.5.2). These figures include both revenue funding and capital expenditure on a variety of supporting measures such as bus and cycle infrastructure and safe routes to school[7].

[7] We asked the three towns to provide financial information to show how their investment had been allocated in each year. So far as possible, we attempted to standardise the headings to which costs were allocated. However, the

Across the whole programme, capital schemes constituted somewhat over half of the effective expenditure. Estimates of the expenditure contributing to delivery of the six main smarter choice measures in the three towns[8] are presented for each smart measure in the relevant chapter of the research report (RR4.3.2; RR5.3.2; RR6.3.2; RR7.3.2; RR8.3.2; and RR9.3.2).

Once a full staff team had been recruited, the staffing levels in the towns were 6-10 full-time equivalent posts per annum. (RR4.3.1, RR5.3.1, RR6.3.1, RR7.3.1, RR8.3.1, RR9.3.1). There were clear differences between the towns in the total amount of staff time allocated to each smart measure. Notably, Peterborough invested more staff time than either of the other towns in public transport information and marketing, and Darlington invested more time in cycling and walking promotion.

The relative emphasis given to the different measures may be seen in the proportion of revenue expenditure allocated to each. Looking just at the revenue expenditure that can be identified as having been spent on a specific smart measure[9], the highest proportion in every town (33%-46%) was spent on personal travel planning. The next largest expenditure categories were travel awareness campaigns (14%-28%) and cycling and walking promotion (15%-23%), followed by public transport information and marketing (5%-11%). Revenue spending on workplace travel planning and school travel planning was much less, at 1%-9% and 2%-5% respectively.

The relative spending on each of the smart measures is illustrated in Figure 2[10]. As we will see in section 7, the inputs in terms of staff resources and expenditure broadly correlate with the outcomes that were achieved.

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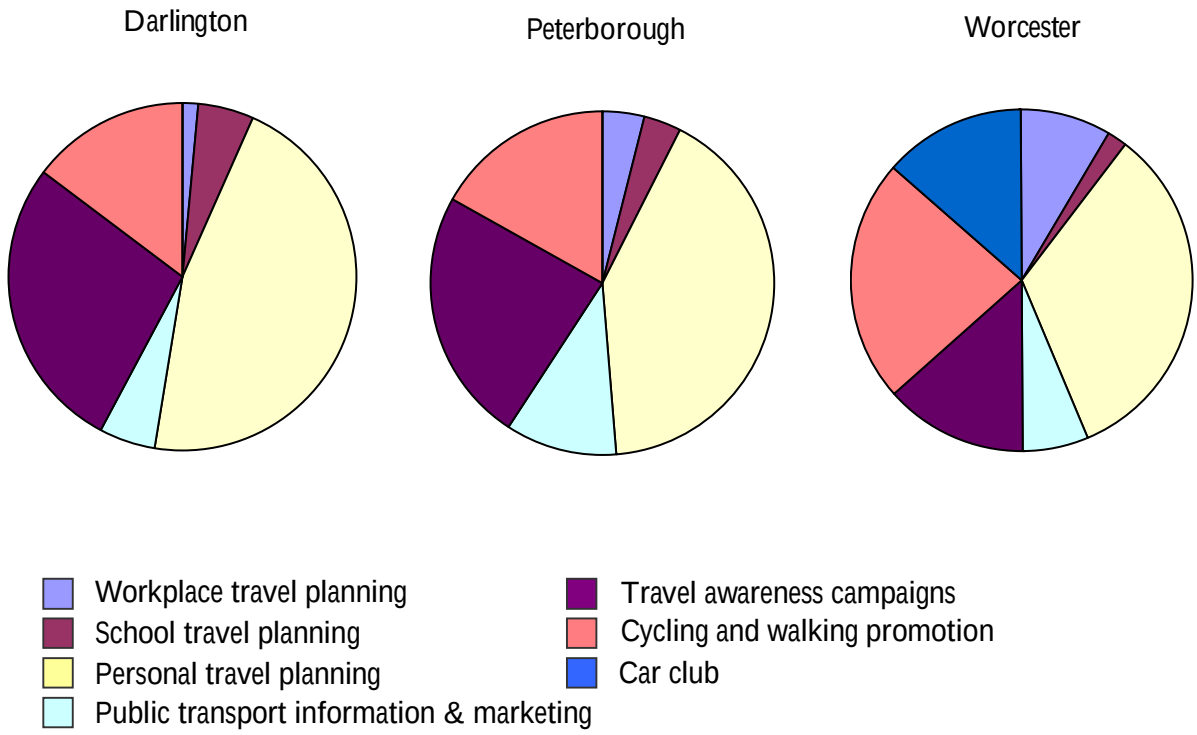
towns themselves used a variety of headings for budgetary purposes, and translating these headings into the standardised ones suggested by us was not always straightforward. The resulting figures should therefore be regarded as 'best estimates'. Our estimates include investment in infrastructure and services funded from other budgets than the DfT Sustainable Travel Town grant where it might reasonably be supposed that these would be likely to be supportive of behaviour change. We have excluded revenue costs which would not have contributed directly to the behaviour change intended to arise from the programme, and which might reasonably be considered a core part of local authority operations (media work, monitoring and evaluation, study tour, accommodation, equipment, administration and traffic management). These amounted to approximately £1.6 million. For staff costs, we used estimates based on information about the staff time dedicated to the programme and average staff salaries; the resulting figures are slightly over £1.1 million less than the reported total expenditure on salaries, but in our view are a more reliable reflection of the effective staff costs of the programme. So, in total, there was £8.8 million of capital expenditure and £6.8 million of revenue expenditure directly relevant to behaviour change activities, with £2.8 million of additional revenue costs relating to core activities and unattributed salary costs.

[8] That is, workplace travel planning, school travel planning, personal travel planning, public transport information and marketing, promotion of walking and cycling, and travel awareness campaigns.

[9] In practice, this represents only between 40% and 60% of the estimated total revenue expenditure. Of the remainder, 30-40% was for local authority staff costs in managing and delivering the programme; and 10-20% was for a variety of other costs including monitoring, travel behaviour research, training, accommodation, general media work and traffic management support (RR3.5.2).

[10] These figures are not a complete reflection of the amount of 'effort' allocated to measures such as workplace travel planning, which required significant amounts of local authority staff time. Although it was not possible to break down the total figure for local authority staff costs into amounts for each individual measure, we were able to estimate the proportion of local authority staff costs allocated to workplace travel planning and personal travel

Figure 2: Proportion of revenue allocated to each individual smart measure



Note: proportions only take account of expenditure that could be directly allocated to a specific smart measure, and therefore exclude local authority staff costs and 'other' costs

planning. If these estimated staff costs are taken into account, revenue expenditure on workplace travel planning increases slightly to about 4-10% of costs, while revenue expenditure on personal travel planning falls to about 19-32% of costs.

Annex B: Technical Note on different estimates of the Value for Money of Smarter Choices

1. There are no overall benefit-cost ratios for smarter choices carried out in the same way as for road schemes (ie formally modelled, with a 60 year time frame, tested against a do-minimum alternative forecast). The two main studies providing evidence (Cairns et al 2004, Sloman et al 2010) used a proxy of the scheme expenditure per car kilometre removed from the network, based on before-and-after observation on an annual basis, and then converted into a congestion-cost saving using standard DfT values.

2. The 2004 study estimated a mean cost of 1.5p per car kilometre removed, with a range from 0.1p to about 10p, depending on the different measures used (for example, workplace travel plans are cheap in public expenditure terms compared with personalised advice methods). This was converted to a congestion benefit by standard DfT marginal costs of congestion in different conditions, eg peak urban, off-peak urban, etc, itself with a mean of 14.6p per car km and a range in the relevant conditions from 2.1p per car km to 45p per car km. The overall average was therefore a congestion benefit of about 15p per 1.5 pence spent, or a benefit cost ratio of 10 from congestion impacts alone, before taking account of other effects such as health, traveller benefits, carbon, etc. This was based on application over the whole country.

3. The 2010 report was based on the specific conditions in the three 'Sustainable Travel Towns', Darlington, Peterborough and Worcester, in programmes whose main assessment period was 2004-2008. There, the estimated benefit-cost ratio was less than in the 2004 study, mainly because the package of measures used included a higher proportion of the more expensive ones and a lower proportion of the less expensive ones. (They were also on a smaller scale than the 'full potential' scenario defined in 2004, but this did not affect the value for money, it just scaled down both the costs and benefits in roughly the same proportion). The estimated BCR published in the 2010 report using the 2004 national value of congestion costs updated for inflation was 4.5 from congestion alone. My own more recent calculation, not published in the report, using the latest published Webtag figures for 'other urban areas' updated to January 2010 prices, but based on 2005 traffic figures, gives a congestion cost of 14.5p/km ignoring motorways. This might be more appropriate than the national average both for the sustainable travel towns and for the South Hampshire sub-region. The implied congestion-only benefit cost ratio achieved in those particular locations in that case is 3.6, on the same basis.

4. To estimate a benefit cost ratio comparable with other areas of transport spending would require including the values of relevant other benefits, in this case health (from the increase in walking and cycling), carbon and local environmental emissions (from the reduction in car use), noise, and the direct benefit to consumers of improved travel conditions. These vary from scheme to scheme but are unlikely to do less than double the benefit-cost ratio, and can multiply it by up to 8.

5. Thus from this evidence, we expect the benefits from a smarter choices package to be in the order of 10 times the cost in the three sustainable travel towns, with a potential of two or three times more than that from an intensive roll-out on a national basis.

6. This is much greater than the benefits which are likely to be provided from almost all other elements[11] of transport strategy as a whole. The average BCR of all road schemes reviewed in the Eddington report, for example, was (as reported by their promoters) about 4, even after including all categories of benefit.

7. One other recent figure reported for the benefit cost ratio of Smarter Choices gave a very much lower figure, of only 1.25 even after including congestion, CO2, fuel savings, air quality, infrastructure, noise and safety. This was the DfT's Impact Assessment annex to the UK Carbon Reduction Strategy, reported in June 2009. While the 2004 and 2010 Smarter Choices estimates are broadly consistent with each other given the different level of investment, the Impact Assessment number is not consistent with either, and there have recently been discussions between the authors and other experts, to try to explain the differences, which are now in most respects understood. In summary the main reasons why the Impact Assessment used a much lower number than the 2004 report even though both were aimed at a national assessment, are as follows:

8. The IA assumed that there would only be traffic effects within the boundaries of urban areas, ie no rural effect but also no effect on the part of urban journeys done outside the town;

9. It assumed there would be a smaller number of trips affected[12]

10. Using this number as an input the DfT National Traffic Model, but confined to the shorter urban-only trips, the figure for traffic kilometres reduced as only half this.

11. These calculations were carried out for the period 2020-2022 when it was assumed that almost all other elements of the UK carbon reduction strategy had already been successfully implemented, only a small residual impact on carbon being attributed to smarter choices since most of the possible savings had already been attributed to other measures. (This was an analytical assumption for convenience, not representing the actual order of implementation). By contrast the 2004 report was aimed at an assessment of the contribution of Smarter Choice instruments themselves, not as a residual after other policies.

[11] In a current review of comparative benefits of all different types of transport expenditures, not yet published, only local safety schemes showed such high benefits. The results of this review are expected shortly, and will then be made available to TfSH in time to assist in preparation of the next stage of budgeting and planning when the financial constraints are known more precisely.

[12] The intention had been to take a figure for car trips reduced of half way between the 2004 high and low scenarios, which would have been 11%, but owing to a mistake in interpretation or an ambiguity in that report, in fact a figure was taken of 7% instead.

12. The 2004 report took Webtag recommended values for the cost of congestion (national average 15p/car kilometre). The Impact Assessment inferred congestion values from forecast model outputs which were 4.9p/km in 2015 and 6.8p/km in 2025. (The reasons why the DfT NTM gave lower forecast congestion values than the DfT Webtag standard values are not yet understood).

13. The 2004 report assumed that the effects of smarter choices on behaviour 'decayed' at 40% a year if they were not reinforced. In its cost estimates, the Impact Assessment assumed that the decay rate was 100% - ie all effects cease as soon as the expenditure stops. (It assumed that the cost of sustaining the behaviour change increased at 2% a year on top of this).

14. There are continuing discussions about the significance of these assumptions for the forward projections in the carbon strategy, but it is agreed that the IA methods and assumptions would not be suitable for calculating the value for money of spending on a programme of smarter choices as a policy in its own right, looking at all the potential costs and benefits, and therefore there is not currently any critique by DfT of the order of magnitude of the calculations in the 2004 or 2010 reports for the assessment of smarter choices.

15. (It is worth saying however that in my view the discussions have revealed that both the IA and the 2004 and 2010 reports have not treated the difference between the capital (ie infrastructure) and revenue elements of smarter choices in a way which is consistent with appraisal generally, for which something like the 60 year normal appraisal period should be used, rather than the single year of the IA or the 40% declining rate of the 2004/2010 reports. Both have therefore overestimated the cost and underestimated the benefit due to this particular feature).

16. Taking these points together, I would expect that if it is decided to calculate the benefit-cost ratios of the smarter choices element in the Reduce programme, the answers ought to be comfortably in double figures, and probably higher than any other elements of the programme with the possible exception of local safety measures, which typically have very high benefits.

Annex C: Statements on Transport in the new Coalition Government's Programme 'Our Programme for Government'.

The Government believes that a modern transport infrastructure is essential for a dynamic and entrepreneurial economy, as well as to improve well-being and quality of life. We need to make the transport sector greener and more sustainable, with tougher emission standards and support for new transport technologies.

- We will mandate a national recharging network for electric and plug-in hybrid vehicles.
- We will grant longer rail franchises in order to give operators the incentive to invest in the improvements passengers want – like better services, better stations, longer trains and better rolling stock.
- We will reform the way decisions are made on which transport projects to prioritise, so that the benefits of low carbon proposals (including light rail schemes) are fully recognised.
- We will make Network Rail more accountable to its customers.
- We will establish a high speed rail network as part of our programme of measures to fulfil our joint ambitions for creating a low carbon economy. Our vision is of a truly national high speed rail network for the whole of Britain. Given financial constraints, we will have to achieve this in phases.
- We support Crossrail and further electrification of the rail network.
- We will turn the rail regulator into a powerful passenger champion.

- We will support sustainable travel initiatives, including the promotion of cycling and walking, and will encourage joint working between bus operators and local authorities.
- We are committed to fair pricing for rail travel.
- We will work towards the introduction of a new system of HGV road user charging to ensure a fairer arrangement for UK hauliers.
- We will stop central government funding for new fixed speed cameras and switch to more effective ways of making our roads safer, including authorising 'drugalyser' technology.
- We will tackle rogue private sector wheel clampers.

There are relevant policies in other sections also, including:

- We will rapidly abolish Regional Spatial Strategies and return decision-making powers on housing and planning to local councils (section 4)

- We will provide incentives for local authorities to deliver sustainable development, including for new homes and businesses. (Section 4)

We will create a presumption in favour of sustainable development in the planning system. (Section 11)