



Sustainable Transport in the Midlands

the key to unlocking the benefits of new housing

Monday 19 November 2018
10.00-14.00, KMPG,
One Snowhill, Birmingham

NOTE OF EVENT

Event Chair **Gerard Whelan, Director of Corporate Finance, Government and Infrastructure at KMPG** welcomed the attendees to the event. He noted how important the discussions about housing and transport are and said that KMPG were delighted to support Transport Knowledge Hub on sustainable transport, and particularly its link with housing. In addition, Gerard said that the link between transport and housing is well known, and although there are often mistakes made such as with planning decisions, these events were about how to make better decisions.

Gerard then welcomed **Claire Haigh, Executive Director of the Transport Knowledge Hub** to speak.

Claire thanked everyone for attending and stated that the event was the part of a series of Transport Knowledge Hub events that will look at the role that sustainable transport can play in unlocking the benefits of new housing. Claire mentioned that it is important that the investments we make deliver the right outcomes, and that the Transport Knowledge Hub exists to give guidance on these investments. It uniquely brings together central government, local government and industry specialists to facilitate socio-economic change. Claire said that the UK as a whole is facing not only major infrastructure challenges but climate change ones as well, and it is more important than ever that the investment being made delivers the best outcomes. She added that the hub is a forum for sharing ideas, discussing best practice and reflecting on major challenges facing the country, of which housing is constantly top of the list. Claire stated that the KMPG research has found that investment in sustainable transport will be key to the delivery of new housing and that it was absolutely crucial that these new homes are served by sustainable modes of transport. Claire added that unless we provide adequate transport alongside new housing, we risk bringing our roads to a standstill.

Chair Gerard Whelan asked **Lilian Greenwood MP, Chair of the Transport Select Committee** to address the guests.

Lilian opened by stating she was delighted to be at the event and said that the question of how sustainable transport can unlock the benefits of new housing was an important and timely one. She said that another important issue is how we can reinvigorate struggling bus markets outside London, in order to support new housing developments.

Lilian said that she and Claire Haigh shared a passion for active and sustainable transport, and the huge difference that it can make to people's lives, their communities and the environment – which is important both locally and globally.

Lilian thanked KPMG for their initial findings and said she is keen to support the solutions set out in the report. She said that, if we are serious about delivering new homes, we must bring together housing and sustainable transport under one umbrella, as this is the only way to reduce congestion and connect people to jobs, society, businesses and the economy.

Lilian also said there is often a perception that a clean, green traffic jam is better than a dirty, polluting traffic jam. Although this was true, it was still causing congestion, and therefore cannot be the only solution. Lilian noted that the solution to deliver 300,000 new homes will be reliant on well-connected



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sustainable transport. Well-connected developments can provide a much needed boost to productivity and stimulate growth in the Midlands.

Lilian then moved on to talk about some initiatives that have been launched in Nottingham. She said that Nottingham was well known for the parking levy and a newly expanded tram system which the levy has helped to fund. She added that Nottingham also has one of the highest levels of bus patronage in the country and said that they had a commitment to bus priority measures to make it easier to travel by bus. Lilian added that Nottingham City's ambition also extends to housing developments, with a target of 2,500 new homes a year. Of the development sites she often visits, Lilian said that the new homes being delivered to the west of the river Trent were a good example of a development which supported sustainable transport which was well connected to cycling and walking routes.

Lilian went on to talk about the future of mobility across the UK, adding that new platforms which integrate transport systems are already beginning to shake up cities. She alluded to the fact that these new approaches have the potential to fundamentally transform mobility for cities, and that there is clear potential for Mobility as a Service (Maas) to contribute to sustainable transport and to support new housing developments.

Lilian said that she had been reading a Transport Knowledge Hub blog regarding this event adding that it is good news that we have the National Policy Planning Framework that places transport as an important part of the planning process.

Moving on to the work of the Transport Select Committee, Lilian said that the committee was focused on the key issues that people encounter in the transport system from the moment they leave their front door, including on the road, cycling safety and bus use. Lilian added that active travel has to be a key part in delivering sustainable housing developments and that the number of people cycling in the UK was disappointingly low compared to its European neighbours. She said that many communities have not been designed with active travel in mind and that the only way to change this was through strong political commitment and appetite.

Lilian said that the transport committee is looking at enabling behavioural change, arguing that if we spend money in the right places we can encourage active travel and sustainable transport. This approach would require joined up thinking in order to support green spaces and placemaking, whilst encouraging sustainable transport.

Lilian noted that there were a number of indicators which suggested that the UK were heading in the right direction. She added that the fact we need to deliver 300,000 new homes a year, and the potential impact this could have on congestion, it was absolutely vital that we move away from the old ways of doing things. For example, she said that the relentless focus on journey time savings is not a viable approach, and it is not clear that the Treasury's green book approach is changing anything.

Lilian concluded by saying that it was really important that we continue to build the evidence base and help contribute to new ideas to unlock the benefits of new housing.

Gerard Whelan congratulated Lilian for shifting the focus of the Transport Select Committee to roads, buses and sustainable transport which has allowed for a more informed discussion at the highest policy level. He then opened up to the audience for questions.

Kirsten Saguil, KPMPG asked Lilian for more information on Nottingham's parking levy, how it had been set up and how it had funded the tram service.



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Lilian Greenwood MP responded by saying that the tram was a long-term PFI project over a 25-year period and that the idea is to encourage staff not to drive to work but use other travel options. She added that there had been some unforeseen problems, for example local school staff do not like having to pay parking levy as they are not always in the most well-paid roles, so they continue to drive in and park on residential roads. She added that many people who live outside Nottingham boundaries commute in and pay the levy, and the money raised is supporting the redevelopment of Nottingham railway station and the bus networks.

Laura Shoaf, Transport for West Midlands said that there was not always enough space to have segregated cycle lanes and bus lanes, and asked how authorities can think more strategically about the allocation of road space.

Lilian Greenwood MP said she would quite like to do some more work on this. She thought the example of Greater Manchester was an interesting one, as they are looking at having cycling lanes along major corridors, but the whole approach is based on not having segregated cycleways. Lilian explained that Greater Manchester had identified that the issue that stopped people cycling were major road junctions, so their focus is on addressing those. Lilian added that there may be a role for segregated transport but it is not the only way.

Andy Thorpe, Sandwell MBC asked whether the NPPF needed more teeth in order to enforce sustainable transport more widely and across the board.

Lilian Greenwood MP responded by saying we need a more integrated approach at the national level. She said that planning is a local issue but that, unless there was a change of commitment at the very top of government, it was not going to filter down to other departments and to local government.

Colin Brown, Motorcycle Action Group said that Northamptonshire County Council has supported a model shift to two-wheeler vehicles. He added that this is not a policy that has been followed elsewhere in the country. Colin asked whether this could be applied by other authorities across the country.

Lilian Greenwood MP said that there is growing awareness that electrical scoots could be a game changer. She questioned whether these should be considered a sustainable option.

Lynda Waltho, Confederation Passenger Transport, said that Nottingham City has been a beacon of light for public transport in the Midlands, because it has successful and stable political leadership. Lynda said that in many places in the Midlands, planning decisions are guided by planning for elections and short-term ambitions and that many of these places need more leadership from the very top and from the Chancellor Phillip Hammond. Lynda added that we need more local political leadership working together under the umbrella of the combined authority. She said that we need political buy-in at the local and regional levels to affect the sort of changes that Nottingham has benefited from.

Lilian Greenwood MP said that these decisions need to come from central government, who are not currently giving strong enough steer to local government. She added that most motorists recognise that sitting in traffic jams is not beneficial, but that the lack of alternative modes of transport being readily available only helps to incentivise using a car. Lilian closed by summarising the challenges and added that we need leadership from the top of government to generate support for local government and bring them in to the design process.

Gerard Whelan thanked Lilian for her address, and said that it was a welcomed change of focus on this conversation. He said the two takeaways he got were about the choices available to people, and how we can fund these alternative modes of sustainable transport.



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Chelsea Dosad, Associate Director in Deal Advisory, Government and Infrastructure at KMPG delivered a presentation on KMPG's emerging findings into sustainable transport and new housing. Speaking about the importance of the link between the two, Chelsea said that given the constrained fiscal environment that exists in the UK at the moment, there is a real need to maximise the economic returns of current funding, as well as identify new ways of increasing overall levels of investment. Chelsea said that the integration of housing and transport was so important because it increases affordability, enables greater density and more efficient planning, provides connected, inclusive and prosperous communities with increased economic activity, and reduces congestion on the road, as well as car dependency. Chelsea said that there is evidence which has shown that the integration of transport and housing is not happening as much as it should do. This was how KMPG's research came about: trying to identify the practical barriers that were preventing this integration and simultaneously putting forward solutions and subsequent recommendations that the government can take forward.

Chelsea said that there is a very ambitious target to deliver new housing at a national level, and that the scale of new homes would require a 90 per cent increase in current delivery rates. She added that in the West Midlands, there is an ambition to deliver 215,000 new homes by 2031, which would require a major step-change in housing.

Chelsea noted that KMPG had consulted with a variety of different stakeholders, including central and local government, transport operators, private developers, think-tanks and industry bodies and had identified the following barriers to the integration of housing and transport:

- Lack of committed, long-term funding for local authorities discourages strategic infrastructure planning, which leads to short-termism. Chelsea said that the government's new city deal and devolution agenda was a step in the right direction in terms of delivering integrated transport and housing as it took a more holistic, longer-term approach to funding.
- Current developer contribution mechanisms are insufficient to fund sustainable transport.
- Local authority teams responsible for housing and transport often have been siloed in the decision-making processes, and having these teams separated means that there are often gaps in decision-making, as well as tensions between the planning and transport authority.
- Increasing pressures on local government resource funding results in limited capacity to plan strategically.
- Appraisers often do not have the strategic context to capture the holistic benefits of new housing together with sustainable transport.
- The National Planning Policy Framework does not go far enough to promote effective planning for sustainable transport alongside new housing. As a result, sustainable transport is often deprioritised in relation to other development mitigations due to the lack of definitive support that the NPPF provides to local planners. The Government's forthcoming National Planning Policy Guidance presents a real opportunity to clarify the importance of sustainable transport in the plan-making process.
- Sustainable transport is not typically prioritised in development plans that come forward from the private sector.
- The designs and patterns of new housing development lead to unviable sustainable transport services.

Gerard Whelan then opened to the floor for questions.



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David Tucker, David Tucker Associates, said that he had worked on numerous housing developments of all sizes and stated that, from a developers perspective, transport is a low funding priority because of the demand of other on-site issues such as ecology and landscaping. He said it is a question of where these priorities should be set.

David added that, in terms of basic planning policy, there were significant issues around current green belt policy which inhibited the developers' ability to integrate sustainable transport and housing development. He gave the example of Stratford Upon Avon and the arbitrary line on the map, with most of the housing developments being jammed in to the south of the town due to green belt policy. He added that this meant it was very difficult to include sustainable transport initiatives, as all of the existing transport infrastructure was to the north of the town. He said developers need to be able to build in areas where there is existing transport infrastructure, and that these are fundamental issues which needed to be addressed.

Chelsea Dosad said that these were very good points which had come up in the research. She argued that there needed to be a fundamental shift in how local development plans are integrated with local transport plans.

Gerard Whelan thanked Chelsea and introduced the second panel to address the audience.

Laura Shoaf, Managing Director, Transport for the West Midlands said that the combined authority had developed a vision based on inclusive growth which has led to the city and the region transforming. She said the most fundamental issue was to make sure that the growth of the combined authority was having a tangible impact on the people that live in those communities.

Laura said that the West Midlands had a strong regional economy which is driving the demand for new housing, and the highest level of job creation in Britain. She said that housebuilding on the required scale was a very big challenge for the West Midlands Combined Authority. She said that whilst they are not a planning authority, it is absolutely essential that they work together to deliver new homes. For example, Laura explained that all investments should align with where housebuilding is happening in order to address major congestion challenges. She said that the combined authority have developed a pot of funding which expands over a greater time frame, allowing them to plan in a more integrated way.

Laura said that residential development should be in neighbourhoods where people can access places on foot, and the challenge is how to align funding to help release land to extract maximum value. She explained the combined authority are developing corridors where they are drawing circles around areas where they have, or plan to, invest in high quality transport infrastructure, and then looking within those areas to see where they can deliver homes and jobs. Laura said that the aim is to ensure that no one is over 40 minutes away from a HS2 stop, which will allow everything to join up more efficiently.

Laura gave the example of the Wednesbury to Brierley Hill metro extension which the WMCA have invested in. She said that this will allow them to build 26,000 homes along the corridor, that will help to shape and accelerate housing delivery.

Tom Stables, Managing Director, National Express was the next panellist to speak. He said he wanted to talk about the importance of transport and connectivity and what bus operators can do to support this. He said that the most fundamental issue in solving the housing crisis was not to create more congestion. In the past there have been developments that have not supported transport infrastructure, such as the streets being too narrow for buses to access. Tom said that National Express want to run services that are sustainable and sustained by the communities which they serve. Looking at the development maps that are coming forward, it was essential not to forget about



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ensuring good journey times, and that we plan in speed and services when integrating sustainable transport with housing developments.

Tom added that routing was also important, and the design of the area should incorporate walking routes, as well as whether a bus stop can fit in to the development.

Moving on, Tom said that we should also consider the very basics of street furniture. Street furniture in the wrong place can mean accessible bus stops cannot be used. He added that bus services can make housing developments better and more sustainable.

Simon Statham, Head of Technical Programmes, Midlands Connect, was next to speak and said that it is much easier to provide sustainable transport solutions in the middle of towns where you can create conditions so that people do not want to use the car. It is more challenging the further you move out of the city.

Simon said that in order to deliver 300,000 new homes, the government has to reward ambition of local authorities who are actively doing their part in delivering this growth. He gave the example of the Cambridge-Oxford growth corridor, with government-backed expressway and rail services, in response to which response local authorities have come together to help deliver the growth and take ownership.

Simon said that in the Midlands there was a similar growth corridor - the A46. This corridor is huge and has vastly more people than the Oxford-Cambridge corridor, but was not getting noticed at a national level and this was in part because local authorities in the area have not come together to take ownership.

Simon said that Leicester and Leicestershire are doing a good job to promote their ambitions, and that they have plans to deliver around 90,000 homes within their local plan and would take a further 95,000 homes if the strategic sustainable transport comes with it. Simon concluded that all local authorities in the Midlands should come together and seek investment from the government in order to deliver on growth.

Jack Kelly, External Affairs Director, Midland Heart, set out the aspirations of Midland Heart and their business model. He said that they are looking to build about 600 homes a year across the Midlands, and that they already own around 33,000 homes across the area.

Jack said that in terms of the barriers, planning is the biggest restriction in getting homes built, particularly around the green belt. He added that Midland Heart want to build in areas integrated within the local community as this is a more attractive prospect for residents. He added that many of the people that Midland Heart house will be on the lower end of the wage scale and would need to have access to sustainable transport networks. Midland Heart do not want to develop in areas where they would be exacerbating the problems, making it more difficult for people to travel to and from work.

Simon concluded by saying that transport was absolutely key, but the availability of land and planning was a restriction.

Chair Gerard Whelan asked Jack whether he could say more about what the customers of Midland Heart want and how they feel about new homes and transport?

Responding, **Jack Kelly** said that people want to live in a nice, safe and clean home, but that equally they need to be able to have access to local schools and jobs. He said that Midland Heart's whole ethos is about ensuring the availability of sustainable transport to its customers.



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David, KPMG asked **Tom Stables** to expand on the implications of new homes for bus operators. David also asked **Simon Statham** to expand on how local authorities should work together on the A46 corridor.

Tom Stables said that buses need to be incorporated into housing developments from the very start, they cannot be an afterthought. Most people do not want to spend time considering how to travel around. He said that the most important thing was being able to move throughout the developments relatively easily on foot and in a vehicle. Getting it right from the beginning, so that everything is integrated in to the development design, is absolutely crucial.

Simon Statham said that the plans that Leicestershire have set out are about sustainable new towns which falls in an arc to the south of the city. Part of Midlands Connect's job is to work with the local council to decide how this should be implemented.

Ian Oliver, Highways England said that transport and development is a bit like the chicken or the egg situation. The Oxford-Cambridge growth corridor which has been mentioned is largely on a blank piece of paper, whereas other strategic routes already have transport infrastructure in place.

Chair Gerard Whelan asked Laura to explain the benefits of long-term funding.

Laura Shoaf responded by saying that the biggest advantage of long-term funding has been certainty, including political, and funding stability. She said that endless bidding rounds take up a significant amount of time and are not to anyone's benefit.

She said that long-term funding has allowed the combined authority to make decisions on schemes over a longer period of time, which has ended short termism and given more certainty. Laura added that this has provided an opportunity to consider the risks and what infrastructure needs to be put in place. The combined authority is thus able to think more strategically about transport and how it can be achieved across wider policy objectives.

Laura added that devolution of the rail has allowed the authority to specify services in a better way, which would be the case for other local services as well.

Jack Kelly said that there was a need for local nuance and a more holistic thinking from various local authorities in a specific area if they were to maximise the benefits of integrated transport and housing.

Gerard Whelan then asked for the views of **Transport Focus**, to give a passenger perspective on the topic.

Stuart Edwards, Transport Focus said that we have heard a lot about barriers at national and local government level, but it was fundamental to examine the passenger barriers as well, for example cost. He said we should look at what customers needed from their services when thinking about housing developments.

Stuart moved on to ask what Highways England can do as a statutory consultee to encourage developers to put in more sustainable transport infrastructure, like cycling and bus routes.

Ian Oliver, Highways England responded by saying that they have dedicated funds set aside for environmental improvements, and adding in cycling to the strategic road network was one of these.

Gerard Whelan then invited a representative from Network Rail to speak.

Jack Pickering, Network Rail said that there is a very clear area of opportunity but also challenges. He said that Network Rail want to make sure that they support rail so that they can offer better rail



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services in the Midlands area. He added that they are currently involved in more strategic planning and long-term thinking. Jack said it would be useful to know where housing is likely to come from so that they can better plan strategically for the long-term.

Chelsea Dosad asked all panellists to give their perspective on what would be their ask of central government, local government or industry.

Laura Shoaf said that it would be ideal if the local authorities were able to define the outputs that they plan to deliver which the government can then sign it, rather than a top down approach, particularly in terms of designing expressways. She said that this would bring about a step change in delivering housing and integrated transport.

Responding to Gerard's question, **Jack Kelly** said that land availability and planning reform would be the number one ask for Midland Heart.

Simon Statham said that there is an opportunity to be more radical in the way that we plan cities across the UK. The government should be more ambitious in developing city plans.

Tom Stables said that we need to think more practically about how transport works through every step of the process.

Chair Gerard Whelan said that three or four themes were prominent today: the need for longer-term funding so that decisions can be made in a more measured way; better planning of housing and transport networks; apprising investment decisions made and harnessing the different expertise needed to deliver. He added that there was a final theme around marketing and communications.

Gerard said that the Transport Knowledge Hub is part of that communication agenda, and it needs to extend to people's everyday lives so that they can be kept informed about technology and changes that are available to them.

Gerard thanked all panellists and Claire Haigh for organising the events.