1.0 Introduction and background to LGTAG

1.1 Thank you for the opportunity to submit evidence to the Committee on this most important subject.

1.2 As a background, LGTAG has previously engaged with and given evidence to your Committee and other House of Commons Select Committees and various All Party Parliamentary Groups on a range of policies, strategies and priorities, and funding issues. Through recent publications including 'Transforming the Narrative' we are seeking to ensure evidenced based policy making that will support fresh thinking in the delivery of appropriate plans and strategies to deliver the needs of people and businesses throughout the UK.

1.3 LGTAG is a professional / technical organisation, with membership including Unitary Authorities, London and Metropolitan Boroughs, Strategic Authorities in our largest conurbations and Counties and two tier authorities. Our members typically have responsibilities across ‘Place’ based services within Technical Services and Engineering Departments including Highways, Transportation, Planning, Flood and Coast Risk Management, Waste, Property and Buildings etc.

1.4 LGTAG represents over 100 different authorities and related service delivery organisations and for this inquiry we believe as a body we have the appropriate experience and skill set to help the committee to identify priorities over a large part of National and Local Infrastructure needs in terms of capital and revenue resources required. Unlike many specialist (and equally valuable service areas) Place based services are universally used by every single business and person across the country.

1.5 I can confirm as President of LGTAG that this response has been shaped and approved by the leadership team of LGTAG over all active regions, Standing Committees and Topic Group Chairs. However it does not necessarily represent the views of individual authorities at technical or political level.
2.0 Summary

2.1 While we fully recognise that our members are not involved in front line delivery of the two largest Local Government services – Education and Social Services, for elements of these (e.g. Special Needs Transport, Travel Plans for schools and Social Services establishments etc.) and for their supporting technical services, we have a detailed and technical understanding of present and future needs. Furthermore amongst our membership and our responsibilities we do understand both nationally and locally issues involving infrastructure, planning, transport, waste and recycling, recreation, property and flood and coastal management.

2.2 We are also aware of the importance of ensuring the Place where people live and access other vital services is accessible, safe and locally provided. We provide, or arrange, the transport and accessibility for everything that happens locally. It is a failure of such systems that creates wider and direct impacts on other council services and NHS priorities.

2.2.1 Rising obesity as sustainable mobility is impacted by choices including investment in public transport, safe routes to walk and cycle infrastructure.

2.2.2 Declining Air Quality as a result of internal combustion engines and restriction on funding alternative energy infrastructure.

2.2.3 Congestion and road safety that results in fatalities and long term conditions from those seriously injured.

2.3 From our overall experience in our role in infrastructure we believe the priorities for funding both nationally and locally are:

2.3.1 Treat funding over National and Local expenditures in a joined up way and where the greatest real benefits are likely to accrue – rather than totally separate silos for the best strategies or for expenditures

2.3.2 Maintenance of our existing infrastructure before adding more infrastructure - which in turn adds to maintenance pressures

2.3.3 Identifying and spending resources on our greatest needs and to deliver the best and most benefits (note: we have major reservations on the way cost benefit work is carried out under Treasury/DfT methods)

2.3.4 Reducing expenditure on projects with demonstrably poor or negative long term benefits (e.g. the National Road programme)

2.3.5 Improve efficiency and reduce waste (and unnecessary activities and overheads) in all public and supporting private sector organisations.

2.4 These five points have been reflected in our answers to the specific questions raised by the committee and are further supported in the Appendices we have submitted.

Answers to specific questions raised by Committee

Question 1 What lessons can be learned from past changes to local government funding in England, the current financial situation of councils, and how this has affected their ability to deliver services.

3.0 There is a marked and consistent failure to join up place based funding. Invariably separate funding streams (including NHS, MHCLG, BEIS, DEFRA and DfT) need to be re-forged at a local level to achieve the necessary scale and impact of initiatives that demand integrated and joined up approaches.
4.0 Even from within each Department there are constant changes in funding methods in terms of size of funds, ‘names’ of funds and justifications. This adds to the workload (especially when demanded by a bidding processes) but in changes to budgets and programmes on a yearly basis and often more frequently, diverting attention from service delivery and adding overheads.

5.0 These changes have affected big ticket funding like business rates and council tax and also specific funding like capital maintenance and even specific funds for pot holes. Multiple streams of funding that flow out of the Treasury lack consistency and inhibit the ability to plan ahead. This is perhaps best evidenced through a ‘public health’ approach to place based funding - distinct costs and impacts are borne by society but seen as silo based responses via different budgets.

5.1 £5 Billion annual cost of air quality
5.2 £5 Billion annual cost of obesity
5.3 £15 Billion annual cost of road traffic collisions including fatalities
5.4 £15 Billion cost of congestion – funded by business

6.0 Sadly however concerted action is hampered by historic silo based approach that prevents sustained and significant initiatives that impact communities and wider determinants of public health. Rethinking finance at a fundamental (Treasury) level is just as vital as the overall quantum.

7.0 It is clear that the overall ‘revenue’ cuts since 2010 has made it very difficult to fund basic needs of maintenance and safety let alone provide other really worthwhile services with high real benefits like support for Travel Planning which are known to have very large benefits in congestion, CO2 and wider pollution reduction across particulate matter and Oxides of Nitrogen. Moreover specialist independent travel planning for young people with special educational needs has been central to developing and supporting independence. Equipping children and young adults with lifelong skills ensures that they maximise their independence and reduces the call on long term care by timely and effective investment to manage long term demand.

8.0 It is notable that government changes often work against some of the better funding mechanisms - an example was the Local Sustainable Transport Fund. While we would generally prefer each authority to be able to decide its priorities, the ending of this fund seemed an extremely retrograde step when its purpose and benefits under any measures were so high.

9.0 It is informative to note that for major (transport) scheme funding, there are complex and inappropriate ‘cost benefit analysis’ largely from supposed travel time reductions mainly for private cars at peak hour times. As evidenced by LGTAG’s recent evidence on ‘Modelling and Assessment' much effort is spent by Councils trying to get favourable ‘benefits’ rather than perhaps the best local schemes.

**Question 2 The efficiency, fitness for purpose and sustainability of the current system for funding local government (central government funding, council tax, business rates retention and other income); how it could be improved, including options for widening the available sources of funding; and what lessons can be learned from other jurisdictions.**

10.0 As mentioned, the bidding processes, the variability and the availability of funds produce extra work largely as business overheads rather than actual service delivery - these engender inefficiency in the system.

11.0 Businesses have significant needs for local services including rapid transit systems, buses, parking and roads and footways. Business Rates could reflect better the costs of providing such services including any required adjustment to Rateable Values. Out of town centres particularly should perhaps carry much higher Rates for inefficient use of land and their traffic impact. A system to reallocate Business Rates between different areas will remain essential – it is understood that the small City of Westminster or smaller City of London have vastly greater Business Rates revenue than the large City of Leeds. Internet shopping generates considerable ‘white van’ activity and deprives high-street footfall and business rate value.
12.0 Funding from Planning Gain including Section 106 and Community Infrastructure Levy (CIL) are useful funds available to local authorities but largely for Capital Investment associated with new developments. Congestion Charges and Workplace Parking Levies have been used very effectively by London and Nottingham. Charges for parking on and off street can also be a useful revenue earner and all such measures have the added benefit (or main purpose) of reducing traffic congestion, CO2 and pollution. Central Government could give much more encouragement to Councils to promote such traffic limitation measures in urban areas as a key element of wider community benefits that underpin the ambition locally of each key element of MHCLG i.e. Housing and Communities initiatives delivered by Local Government.

13.0 There are some incentives to encourage Councils to provide more housing but a joined up approach that create quality housing that is sustainable; affordable to heat and with transport that thinks beyond burning fossils fuels. LGTAG also understands the priority to rebalance the economy and creation of more jobs and better paying jobs especially outside London and the South East. This is underlined by land availability especially in northern urban areas.

14.0 Other countries allow and trust Local Authorities (even of much smaller size than most Local Government bodies in Britain) to collect and spend their resources with much less Central Government control. Local Government is the most locally appropriate and democratically accountable body with high degrees of public recognition of what we do and trust in our service delivery of broad and diverse services that people value. We are aware that other funding sources such as Local Income Tax, sales tax, public transport levies etc. are used in other countries.
**Question 3. How funding needs of local government are assessed. The current and forecast funding needs of local government and how these needs can be better understood at both a national and local level.**

15.0 We are aware that the formulae for the main government Support Grant vary and it seems particularly between urban and rural areas when political priorities might change with new Administrations.

16.0 Certain specific grants have to be bid for and the money is shared out on the basis of assessments by Civil Servants often using the defective cost benefit analysis system described above. Central Government is not in a position to understand the problems or likely best solutions in different areas of the country. Furthermore some of the grants are enhanced or reduced depending on how well the authority performs certain functions and this process is almost by definition well removed from identified need.

17.0 Appendix 1 to this submission gives a fairly detailed assessment of the Infrastructure needs of the Country and could form a useful basis for reallocating at least infrastructure funding (both National and Local) where it is needed most. Please see particularly our response to The Infrastructure Commissions first question (on page 8 below) - “Question 1 -What are the highest value infrastructure investments that would support long term sustainable growth in your city or region?”

18.0 We would like to particularly draw attention to the £10 Billion road surface maintenance backlog with a further £2-3 Billion backlog on ageing bridges, retaining walls and street lighting. The recent closure of Hammersmith Bridge underlines the importance of funding our vital arteries that make our towns and cities flow. Highways England operates less than 3% of the road network with Councils accountable for over 97%. The average road will only ever be resurfaced once in over 60 years whereas Motorways and receive vast and increasing funds for building yet more and more ‘Grands Projects’.  

**Question 4 The approach the Government should take to local government funding as part of the 2019 Spending Review, what the key features of that settlement should be, and what the potential merits are of new or alternative approaches to the provision of funding within the review.**

19.0 It is essential to note that MHCLG and DfT together comprise key and interrelated funding streams for Councils. Only when such funding is ‘stitched back together’ is material impact possible at the heart of local community services. On matters like flood defence DEFRA and the Environment Agency also provide further complexity.

20.0 Major simplification of funding streams is therefore essential with much greater delegation of decision making to competent local authorities, who know and understand the needs and problems of their areas. This is most marked with MHCLG funding underpins the overall revenue element of council funding whilst DfT funding is largely for Capital investment.

21.0 Many councils take different approaches to what is defined as “Revenue” or “Capital”, a problem compounded by new innovations and applications such as spray injection. Perverse incentives in some Councils mean big and costly patches, rather than low cost innovative approaches. It is local communities who lose. This is not a matter of the quantum of funding but rather that all Councils have a single version of the truth. ‘TotEx’ or total expenditure would ensure the money works as smartly as our front line teams.

22.0 The importance of ‘Multi-year’ settlements has enabled the DfT to set longer term funding for both the Rail and the Strategic road sectors. The DfT also implemented a modest multiyear funding settlement which has already delivered better local outcomes through forward planning of work over 3 to 5 years. Higher performing councils have forged new smarter engagement with the supply chain to achieve better value for money by leveraging future funding with early intervention.

23.0 A ten year settlement, linked to new accountability, would enable high performing councils to plan over the long term and consider the scope for upfront profiling of works in the first 48 months. This
could see ten years’ work in the first four years – not PFI but smart and prudent roads funding by leveraging future year funding to deliver impact communities need now. The supply chain will respond and jobs created.

LGTAG as a national body of practitioners recognise the challenges of integrated action at local and national levels. However there now seems to be a very large disjoint between Central Government Funding and the services that need to be provided at local level to really meet the needs of people and businesses.

Making best use of our existing assets including particularly revenue spending should take precedence over large scale schemes which often have low real benefits for their costs. Crucially there needs to be a greater level of consistency in funding levels and mechanisms.

Appendices

Appendix 1 LGTAG submission to the National Infrastructure Commission (2017)
1. Introduction and background to TAG

1.1 Thank you for the opportunity to submit evidence to the National Infrastructure Commission. As a background, we have submitted responses to Government and given evidence to the House of Commons Transport Select Committee (HOCTC) and other House of Commons Select Committees and indeed many other august bodies and inquiries on various Transport, Planning and other Infrastructure issues over many years. This includes giving evidence to the Institution of Civil Engineers on National Infrastructure about this time last year. We attach our statement to the ICE as Appendix 1 and some other supporting Appendices linked to our submission text below.

1.2 TAG as a professional/technical organisation represents a large number of local authorities in the country, these include those with highway and transport responsibilities such as Transport for London, most London boroughs, Metropolitan authorities, Unitary authorities, consultants providing highway and transport services for major local authorities and many of the districts and towns in two tier authorities. While ‘second tier’ authorities do not have direct responsibility for transport, they do have the major role in looking after significant towns trying to ensure adequate housing is provided and the sensible overall planning of them including providing a reasonable environment protecting them from flooding, through and with other authorities most other infrastructure to support the population and businesses and trying to ensure, through the Highways and Transport Authorities, that the transport system is fit for purpose.

1.3 TAG was first created as a joint officer body to coordinate across the various areas of Local Government and was formed by an amalgamation of the Associations of London Borough Engineers and Surveyors (ALBES), Metropolitan District Engineers (AMDE) and Chief Technical Officers (ACTO) of the districts in two tier areas. One of the major reasons for this combination was so that advice could come from one body. TAG still has a major role in advising the LGA and recent submissions from the LGA on transport issues usually reflect TAG advice.

1.4 Overall we represent over 100 different authorities and for the National Infrastructure Assessment we believe as a body we have much to offer as local authorities have over the years probably had more responsibility and experience than any other organisation in the provision of supporting infrastructure for society as a whole.

1.5 We can confirm that we have consulted our key membership on the content of this submission and it represents the overall views but not necessarily the views of individual members or authorities.

2. General and summary.

2.1 In our submission we predominantly consider transport related issues. Nevertheless, we hope that we can adequately address the key issues covering flood risk management and outline views on energy, water etc. For waste TAG does have a waste topic group but our strength in this area is mainly from Northern Ireland. Regarding transport, TAG has and continues to advocate that the Department for Transport (DfT) and Government should formulate a national transport strategy and ensure that decisions are taken on the basis of the best potential national outcome rather than isolated views in relation specific modes of transport or specific parts of the networks. TAG has also raised on a number of occasions concerns regarding the transport scheme appraisal process and the different approach taken on expenditure and value depending on whether such public expenditure could be considered as ‘revenue’ or ‘capital’.

2.2 As mentioned we did submit evidence to the Institution of Civil Engineers and took part in subsequent discussions at Great George St. We do in general support the findings of the Institution in its
report – ‘National Needs Assessment – a vision for national infrastructure’ - in particular we believe that housing and in addition schools, industry, government and local government premises etc. are all part of the National Infrastructure.

2.3 We agree that demand management is essential for much of the infrastructure and particularly national and urban roads. We are concerned that the ICE submission still seems to support adding significant capacity where demand exceeds supply. There is little factual evidence that such a strategy, certainly for the road network, will help our real economy, reduce congestion, help the environment, reduce pollution let alone reduce CO2.

2.4 According to the Eddington study (a link to the documents produced by Eddington can be found on - http://collections.europarchive.org/tna/20100408160254/http:/www.dft.gov.uk/about/strategy/transportstrategy/eddingtonstudy/ ) 89% of congestion is in Urban areas. Unfortunately vast sums are being spent on the interurban network which will tend to exacerbate the problems in the larger urban areas with very little attention being paid to manage the interface. Without effective linking, this ‘investment’ by Central Government will not help our national competitiveness. It is of note that the House of Commons Transport Select Committee is presently having an Inquiry into Urban congestion. Written (see Appendix 2) and verbal evidence given by TAG on 9th January 2017 may be helpful for the National Infrastructure Commission’s work.

2.5 Finally as part of the general issues in TAG’s submission to the ICE we also stressed the need to rebalance the economy and reduce the pressure on the south east of England and the importance of ensuring we can (and can afford to) properly maintain our existing infrastructure before adding to the maintenance burden by adding more infrastructure.

3. Answers to the questions raised

3.1 While our overall views on National Infrastructure needs are explained briefly above and in more detail in Appendices 1 and 2 we have endeavoured to answer the Commission’s specific questions below:

Cross-cutting issues:

Question 1 -What are the highest value infrastructure investments that would support long term sustainable growth in your city or region?

TAG is a national organisation with strengths in different infrastructure needs for different areas. Nevertheless the best returns and most needed infrastructure investments are probably in order:

- rebalancing the economy to bring more employment (and hence people) to the north of England and regions (this should also reduce the need for some infrastructure for water power etc)
- affordable homes
- maintenance and energy conservation in homes constructed before about 1975
- proper maintenance and ensuring the best use of all existing infrastructure
- densification of our cities (including better use of surface car parking and single floor retail stores etc.)
- protection and resilience from hazards of nature (eg coastal or river flooding)
- managing traffic volumes in urban areas and strategic roads
- provision of sustainable transport systems – pedestrian and cycle facilities, comprehensive and affordable bus services and rapid transport systems for our major towns
- integration between strategic roads and urban areas by traffic limitation measures, park and ride, bus lanes etc.
- infrastructure provision specifically targeted at regeneration of our cities and towns to support economic development.
- infrastructure to ensure that waste and resources are appropriately treated and/or disposed of as close to their point of origin as possible. This is particularly pertinent going forward given the importance in the Industrial Strategy on resource efficiency, and the promise that could be realised through better management of resources to stimulate local economic development.
Following Brexit and noting our present severely adverse balance of payments, local infrastructure to serve farming and local industry will become much more important.

**Question 2 How should infrastructure most effectively contribute to the UK’s international competitiveness? What is the role of international gateways for passengers, freight and data in ensuring this?**

As the Standing Advisory Committee on Trunk Road assessment (SACTRA) 1999 study showed, care needs to be taken to understand if better infrastructure can help or hinder an area or country’s competitiveness. Bridport in the 1850s with a rail connection and Ramsgate this century with improved roads have shown that infrastructure access to ports doesn’t necessarily help. In some cases transport may be too easy and cheap for domestic or international competitiveness – an example being potatoes grown in Kent going to Somerset to be packed in brown paper sacks! That said reducing costs for UK located industries should increase our competitiveness but, as we import far more than we export, improving connections to ports could logically reduce our competitiveness.

Helping final access to UK based businesses for staff and inbound and outbound goods should help. For where we have a concentration of exporting industries access to ports and airports would undoubtedly be helpful, this needs to/ could be by both road and rail but is likely to be more local than strategic in nature (e.g. access from Nissan in Sunderland to the port). We believe greater evidence is needed and probably local needs identified before an automatic assumption is made that port and airport accesses by any mode are desirable.

Agglomeration and sharing of skills should increase Britain’s productivity and reduce business overhead. Agglomeration is likely to be best delivered in our big cities and by improving local public transport and improved pedestrian links and environment, or between cities by reduction in vehicle movement and improved electronic communication. However we need to ensure that in delivering agglomeration that the economy becomes increasingly diversified and not focussed on a single aspect.

**Question 3 How should infrastructure be designed, planned and delivered to create better places to live and work? How should the interaction between infrastructure and housing be incorporated into this?**

As mentioned above we agree with ICE that housing is an essential and important part of infrastructure. With a rebalancing of the economy there should be less need for housing in south east England. Nevertheless wherever housing is provided a reasonably quiet unpolluted environment is needed with access to all normal facilities including social interactions with people in other housing nearby, by as short a journey as possible and by sustainable means of foot, bus, cycle or even poolcars/car clubs, car share and taxi. We do not believe significant further strategic infrastructure is required now or in the period up to 2050, so hopefully poor environments caused by strategic roads will not cause further damage to places people need to live and work.

Fundamentally, development needs to be properly planned and a more balanced approach needs to be adopted, whereby the government, developers and local planning authorities can be confident that where development takes place infrastructure provision will be adequate. The current approach is resulting in planning consents which are not implemented because of inadequate local infrastructure including provision of bus routes. Similarly, the current approach to housing provision which confuses the issues of ownership and supply is and will continue to be largely ineffective in addressing the shortages. History shows that significant supply can be provided, however housing authorities and associations need to be allowed and resourced to deliver new housing with appropriate infrastructure. Development should be targeted to existing urban areas in order not to exacerbate transport needs and other associated environmental impacts.

Another issue which is frequently overlooked is the necessity to ensure that appropriate waste collection and storage arrangements are in place to ensure that housing is pleasant and easily maintained. Too often, these issues are addressed after the fact. Many European countries ensure that development considers waste collection and storage from the outset so that appropriate, and minimally intrusive, systems are installed to service housing. In most instances, this pre-development stage also ensures that other environmental issues, such as carbon impact, can be mitigated from the outset. Rather than relying on
labour and capital-intensive approaches such as bins and/or boxes, several European cities and
Countries now underground their waste services (for example, Hammarby – see
www.envacgroup.com/.../HammarbySjostad_Brochure_ENG.pdf?...)

Question 4. What is the maximum potential for demand management, recognising behavioural constraints
and rebound effects? Note: “demand management” includes smart pricing, energy efficiency, water
efficiency and leakage reduction. “Rebound effects” refer to the tendency for demand to increase when
measures aimed at reducing or spreading demand also lead to lower prices or reduced congestion, undoing
at least some of any demand reduction. For example, if smart meters reduce the cost of electricity in off-
peak periods, this could lead to greater energy consumption overall, where a large number of individuals or
firms take advantage of these lower prices by increasing their total usage.

If any product or service becomes ‘cheaper’ to individuals there will be a tendency to use more of that
product or service.

For us in TAG we have experienced increase in refuse volume after wheelee bins became commonplace
and have noticed that recycling rates and tonnages in some quarters tend to increase if householders know
they intend to recycle the items purchased (see https://hbr.org/2016/10/the-behavioral-economics-of-
recycling). We are also aware when parking controls or congestion restraint are introduced in an area it will
reduce terminating traffic and in the centre of big cities but it will result in some growth of ‘through’ traffic to
fill the available space. It is therefore important that a significant part of the benefits, say from a traffic
limitation scheme, is used to improve alternative modes such as pedestrians, cycles or buses or improve
the general environment.

We are not experts in behaviour change as a result of energy or water conservation measures.

On flooding we do not think change in behaviour is a big issue but property values are likely to increase if
areas become less likely to flooding.

For transport schemes we believe there is considerable scope for demand management. London and
Nottingham, Oxford St exclusion of general traffic and successful travel plans at various companies and
organisations demonstrate effective demand management works. However, as we have highlighted to
government on several occasions, in most instances to be successful demand management strategies
need to be supported with adequate revenue funding. Generally such revenue funding is not necessarily
very large but in the current funding regime imposed on the public sector it is extremely problematic.

Question 5. How should the maintenance and repair of existing assets be most effectively balanced with the
construction of new assets?

If a piece of infrastructure is genuinely redundant or being replaced with a real alternative then maintenance
of the previous asset is not required, but any scheme costs for the new infrastructure should include full
removal of the old infrastructure and restoring the land to the most appropriate state. Otherwise TAG
considers the maintenance of existing assets should take priority over the provision of new infrastructure.
Unfortunately new capital funding seems to take too much priority over maintenance (largely revenue
spending) at government level.

Recent developments in waste management show that many of the PFI contracts arranged under previous
administrations are increasingly under pressure due to the ongoing austerity squeeze being felt by local
authorities (for example, GMWDA is seeking to renegotiate their multi-billion pound contract
These developments, at a national level, risk causing disruption to the provision and maintenance of
appropriate waste treatment and disposal facilities in the UK at a time when alternatives are notably thin on
the ground (see Q1 above).

Question 6. What opportunities are there to improve the role of competition or collaboration in different
areas of the supply of infrastructure services?
Local authorities have been required to seek best value in all construction services of maintenance and provision of new infrastructure by competitive tendering; unfortunately we have not been able to ensure proper competition and best prices for relocation of statutory undertakers works (please see our submission to the ICE Appendix 1). Local authorities have also considerable recent experience in collaboration between authorities for construction services.

Government has widely promoted competition for funding and the Department of Transport has applied competition to both major scheme and maintenance funding. However, TAG has and remains highly critical of this approach. For maintenance there are both winners and losers; the losers invariably are left under-resourced and the winners often merely receive the funding they initially required. Additionally, there are costs associated with bidding, which can be of the order of £30,000 for a basic competition; so for example the recent DfT competition for sustainable transport funding of £64m attracted 62 bids with a likely cost in excess of £1.8m in total; the sums awarded varied from £680,000 to £7.5m and 37 bids were unsuccessful receiving no funding. This is clearly not an efficient use of scarce revenue resources for public bodies. We fully support the devolution of decision making regarding major transport investment to the regions and wish to see this extended and that the regions are adequately funded.

We do not consider that competition per se has delivered significant benefits to users in the delivery of transport services. We have welcomed the Government's Bus Services Bill, although see no logic in restricting the powers to areas with an elected Mayor. This Bill will allow bus services to be subject to better control where needed, whilst allowing those areas where competition and collaboration are working to remain unaltered. Indeed we believe that the prospect of direct intervention alone may be sufficient to encourage better joint working, overcoming shortfalls in what is a poor regulatory system. We have grave concerns regarding the potential expansion of competition in the operation of rail services as suggested by the Competition Commission fearing that this will ultimately lead to “operator centric” service delivery rather than passenger centric and fail to deliver strategic benefits of a national rail network.

Specifically relating to waste, there are pressures brought to bear in maintaining collaborative working in long-term partnerships arising from planning decisions, delays and changes in the political make-up of local authorities. These are increasingly acute when overlain with the length of time taken to secure appropriate facilities due to, for example, changes in technology, bidding partnership, procurement challenge or dynamic waste streams (a decade is not uncommon). Going forward, it is increasingly apparent that new approaches will be needed to both pay for and deliver waste and resources management in the UK (several reports indicate that policies such as extended producer responsibility will need to be refreshed to provide a greater proportion of the capital and revenue necessary to fund waste and resource management infrastructure, see https://www.ciwm.co.uk/ciwm/news/2016/ciwm-presidential-report-explores-different-eu-approaches-to-packaging-waste.aspx).

Many local authorities are working together and collaborating in the delivery of services, however there will clearly be limits to extent to which this will be appropriate, whether it be for reasons of geography or for that matter political differences.

Question 7 What changes in funding policy could improve the efficiency with which infrastructure services are delivered? Note: by “funding”, the Commission means who pays for infrastructure services and how, e.g. user charges, general taxation etc.

It has been generally accepted that there has been a need for at least 50 years to encourage sustainable transport use over excessive car use. In order to encourage such behaviour we have to work on:

- achieving a culture change,
- providing benefits for those who do change and
- ensuring policies are joined up.

Parking or road user charges, where any net revenue is diverted to improving sustainable transport, obviously provides ‘a doubling up’ of incentives.

It is notable that an extra driver on the road network does not pay for the extra congestion ‘he’ causes other road users, let alone the environmental damage ‘he’ causes. The situation with air travel is not dissimilar. This situation probably also applies to over consumption of energy, water etc.

We mentioned above our support for the devolution of infrastructure decisions and for transport we believe this should extend to all modes of travel and that the regions should be adequately resourced. However,
the key issue remains that of revenue funding and in our recent submission to the House of Commons Transport Committee we highlighted how inadequate revenue funding is contributing to increasing road traffic congestion. These restrictions on revenue are also adversely affecting the maintenance of transport infrastructure and particularly highway assets. Generally we have reservations regarding the hypothecation of taxes; however the current arrangements for the distribution of revenue funding to local authorities can only result in the problems being exacerbated.

In terms of waste, policy measures such as extended producer responsibility (see Q6) provide a mechanism whereby waste and resources management costs can be better aligned with producers. This would have the added benefit of affecting the design and products and could be a useful contributor to the development of resource efficiency and the Circular Economy in the UK.

Question 8. Are there circumstances where projects that can be funded will not be financed? What government interventions might improve financing without distorting well-functioning markets? Note: projects that “can be funded” but “will not be financed” refers to projects that can be paid for, but where the upfront costs of construction cannot be raised at an efficient price and/or with an appropriate risk sharing balance between the different parties. General government financing policy (i.e. the issuance of gilts) is out of scope.

TAG members are generally construction, property or planning professionals in Local Government and we have limited knowledge of all funding and banking mechanisms. We are however very sceptical that there are well functioning markets that properly respond to supply and demand in transport generally and particularly in road transport, the internet, water supply, waste or indeed flood protection.

In order for us to proceed with a project we usually have to go through a complex and costly bidding process for moneys or approval from Central Government. The rules and incentives (please also see our comments on question 12 on cost benefit analysis) set down by government often mean we bid for schemes that we in local government believe are far from the best schemes for our individual areas, but often we consider that something for our individual area is better than nothing.

The process means that we often can’t afford to bid for the most desirable schemes for our areas. The failure so far to fund a proper rapid transit system for Leeds is a very pertinent example as described in Appendix 2. We are aware that the government has recently also favoured ‘shovel ready schemes’ rather than a scheme to try and solve a current problem - we consider that this has further increased the number of less desirable schemes for an area.

More delegation of funding to local areas rather than funding at National level would probably increase the likelihood that worthwhile schemes would be built and our infrastructure be properly maintained. However it is also recognised that very large scale projects will likely require financial support at a national level.

Question 9. How can we most effectively ensure that our infrastructure system is resilient to the risks arising from increasing interdependence across sectors? Note: this includes resilience against external risks and/or problems that arise in one or more parts of the system.

As stated above we believe a priority for government is to rebalance the economy between north and south this would substantially increase the resilience of the housing infrastructure market and reduce the demand to move quantities of water, electricity etc. around the country. We also believe that it is essential to rebalance the economy in terms of its’ component sectors and that this is interrelated to geographical rebalancing.

Resilience in Transport within the system can best be fostered by using finer networks with less reliance on high capacity strategic roads. Additionally, the extra costs associated with resilience need to be recognised as a benefit rather than elements which can omitted to reduce cost often erroneously labelled as “value engineering”. Appendix 3 was a joint response with our County based colleagues ADEPT on a previous inquiry by government into resilience (please note that some compromises were made in this response, for example TAG, on the basis of past evidence (see link references in Appendix 1), do not believe significant large road building programmes would help meet most objectives for the UK).
Question 10. *What changes could be made to the planning system and infrastructure governance arrangements to ensure infrastructure is delivered as efficiently as possible and on time?*

The Local Plan and Local Transport Plan process probably can properly identify housing and transport infrastructure requirements in individual areas especially if the administrative areas were given a greater level of freedom from central government to properly identify the issues and come up with the best local solutions. The process can also identify power, water, waste, flood and energy requirements. What is sadly lacking are national plans based on agreed evidence and objectives for Transport etc. We would stress the importance of doing the right things rather than necessarily speeding up the process.

We believe public involvement with proper information is a major contributor to identifying the right strategies – the Swiss referenda systems seem to work rather better.

It is notable that TAG has previously submitted views on the new ‘inquiry’ process and classification of schemes of ‘National Importance’ – please also see Appendix 2.

Question 11. *How should infrastructure most effectively contribute to protecting and enhancing the natural environment?*

Almost by definition all of us involved in the construction industry cannot be ‘protecting and enhancing the natural environment’ but we can help reduce the impact of the damage past infrastructure has done on the natural environment and minimise the impact future necessary infrastructure, to support life, does in future. (TAG does recognise the world may be a poorer place for us humans without some of our exceptional pieces of infrastructure.) Our basic themes of rebalancing the economy (including maximum use of brownfield sites), energy conservation, densification of our cities and sustainable transport investment and revenue spending are critical, as is good design, in maintaining and improving the overall environment.

Infrastructure has a critical role to play in providing appropriate services and facilities for society today. A critical element in this is to ensure the principle of systems design from the outset to ensure that these services/facilities are not only fit-for-purpose but are also designed in such a manner as to add positively to the environment. This attitude may be counter to many previous developments which failed to adequately consider the full-life costs and long-term impact of the development, or how it could be maintained, repurposed or dismantled at the end of its life. This emphasis is crucial going forward as, in an increasingly resource-constrained world, more thought is needed at the preliminary/front-end to consider exactly what the value-added benefits are and how these can be maximised.

Question 12. *What improvements could be made to current cost-benefit analysis techniques that are credible, tractable and transparent? Note: “credible” improvements are those that generate results that are in line with robust evaluation findings for comparable schemes. “Tractable” improvements are those that can generate usable quantitative outputs. “Transparent” improvements are those that do not rely on ‘black box’ modelling and assumptions.*

TAG and many other professional organisations and individuals are very critical of the present system of Cost Benefit Analysis (CBA) when applied to Transport and particularly roads. Appendices 2.1 and 2.2 (as submitted to House of Commons Committees DfT etc) cover TAG’s position on this subject for Transport.

It needs to be remembered that the guiding principle of socio cost benefit analysis is the value society as a whole would ascribe to perceived or calculated benefits whether these are time savings to travellers, improvements to life expectancy from medical treatments, road safety, clean water, flooding etc. Some benefits ascribed to Transport schemes are not benefits that society would value - the best obvious example is the popularity of reducing speed limits to 20 mph in towns which on the basis of CBA calculations according to government advice would be likely to be negative.
The best summary description of TAG’s position on modelling and CBA can be found in a recent peer reviewed technical paper (see page 37-42 of http://worldtransportjournal.com/wp-content/uploads/2016/02/9th-Feb-final-opt, where it is stated:

‘---there is also substantial evidence that extra road space and higher speeds do not necessarily provide economic benefits. Reference can also be made to the 1999 SACTRA report on roads and the economy which included doubts that the economic benefits could be as high as the calculated time savings. We also know that the ‘economic benefits’ calculated largely on basis of predicted time savings are highly artificial --- in the following terms:

" --- However linking models (which have been highly calibrated or ‘adjusted’ to try and match a base year situation) to predict behaviour change with an economic assessment introduces potential for a highly distorted view of the potential benefits to real travellers or the economy. Within the ‘economic assessment process there are the following major issues: -

• The evaluation is largely based on the difference between two enormous sums of time spent on the network with and without a scheme; each of these sums is based on a large number of assumptions, the process is therefore mathematically very unsound.
• For major road schemes most of the ‘benefits’ appear for the peak traffic times (i.e. largely for car commuting – a mode and time that most highway and planning authorities do not want to encourage – it is noted that the very recent increase in the value of time for commuting is likely to further exacerbate this problem) and for the period 30-60 years in the future (where the assumptions taken are even less real).
• The impact of ‘generated’ traffic compared with the so called ‘natural traffic growth’ and its impact outside the proposed scheme is never adequately considered (seldom do the models predict the level of generated traffic caused by the new road fully;also the extra generated traffic causes minor extra widespread congestion and delays outside the immediate study area, this is usually modelled without the junctions and without other traffic that passes through that area but not through the study area – delays at junctions in urban areas increase very rapidly with small increases in traffic.”

We would wish to clarify that we do consider that modelling travel behaviour is an essential part in the development of most infrastructure but the cost benefit analysis presently carried out gives decision makers a totally flawed value of the likely benefits to society.

We believe greater delegation of funding and decision making to local or regional administrations, proper real information, public involvement, proper planning (see answer to question 10 above) and objective based assessment is likely to improve decision making on infrastructure enormously.

We should add that if the output benefit / cost ratios of schemes were to be taken at face value then road safety schemes, parking management and enforcement, travel planning, traffic signal maintenance, spare drivers for trains, bus lanes etc. would receive much greater funding and most national transport schemes would not pass the tests to obtain funding.

CBA does not align particularly well with Life-Cycle Analysis (LCA) which is better at capturing some of the environmental considerations of projects. CBA tries to ascribe a quantified economic “cost” to every item in the equation, which then limits how this is portrayed and valued. Albeit simplistic, in terms of waste there is a handy guide which can assist (see http://cri.dk/files/dokumenter/artikler/filea951.pdf).

Transport:

Question 13 How will travel patterns change between now and 2050? What will be the impact of the adoption of new technologies? Note: “travel patterns” include both the frequency and distance of trips taken, as well as the mode of transport used. This covers both personal and commercial travel, including freight.

The DfT base most of their strategies on an immutable traffic growth largely assumed on past trends rather than where society may want to be. It is noted that despite large increases in population (and widening of the M25 and other motorways outside London potentially generating traffic increases) traffic levels have been reducing.

It is quite possible and deliverable that traffic reductions could be achieved in the next 30 years for every significant urban area if appropriate policies and strategies were followed. Reductions in traffic in urban areas would probably be reflected in reductions in traffic on the interurban networks.
If such strategies were put in place we would expect an increase in all sustainable travel modes, more needs to be met by providing better access to local shops, jobs, schools, hospitals, recreational facilities etc.; more demand for electronic communications, more home working, and at least a levelling off of air travel demand. Here we also recognise the need for good spatial planning and the appropriate co-location of land uses.

Local van or light goods traffic is presently increasing rapidly for servicing and from home delivery of internet organised goods. Costs of sending a van with very limited ‘payload’ need careful consideration and probably further research before all the appropriate strategies can be put in place for dealing with this issue.

At present we believe it is too early to tell whether self driving vehicles will have any significant effect on the structural elements of road infrastructure provision but we are confident that we should not be relying on such technology alone to solve many of our transport problems.

Question 14. What are the highest value transport investments to allow people and freight to get into, out of and around major urban areas? Note: “high value transport investments” in this context include those that enable ‘agglomeration economies’ – the increase in productivity in firms locating close to one another.

Our answer to question 1 covers this point best i.e. relatively small schemes improving communication by foot, public transport, bicycle and other means and in urban areas. Reducing traffic volumes and particularly car traffic in and around urban areas will help people travel by sustainable means more reliably and quickly and necessary freight to be able to move on the road network without the need for significant capacity increases. That is not to say that additional junctions and transfer points are needed between the Strategic Road network and local towns. Two examples in Kent are access points urgently needed between the M2 and east Sittingbourne and west Faversham. At a different scale Park and Ride where rail lines cross the M25 and a congestion charge inside the M25 could be very helpful.

We believe that continued electrification of the rail network is an essential element of transport investment which can both improve efficiency and simultaneously contribute to reducing the environmental impacts of travel, furthermore electrification needs to be simultaneously implemented on local and regional networks to ensure greatest efficiency particularly in terms of rolling stock utilisation.

Question 15. What are the highest value transport investments that can be used to connect people and places, as well as transport goods, outside of a single urban area? Note: this includes travel in and between rural areas, as well as between urban areas and international travel.

Unequivocally demand management to make better use of all existing investment - it is interesting to note that Eddington (see above) stated that road pricing/congestion charging was ‘a no brainer’. Also as stated above demand management and better integration of policies between urban and national networks is likely to be very helpful. For freight transhipment from road to rail and sea/coastal freight is probably very helpful nationally and internationally. Loading gauges and the ability of rail to carry more freight needs further investigation. As mentioned above our international competitiveness also depends on final access and this includes links to farms in rural areas.

Nevertheless we also believe that the rail network continues to offer opportunities for further growth with targeted investment. Here the current methodology, largely based upon predict and provide, often understates opportunities for locations either not currently served or not well served.

Question 16. What opportunities does ‘mobility as a service’ create for road user charging? How would this affect road usage?

Mobility as a service, for example by taxis, is used by many people to complete journeys to final destinations. Londoners are probably furthest advanced with credit/debit card bus and tube 'tickets' being carried around in pockets and available for use at any time; the taxi, car club and Uber services are also readily available and all have probably been instrumental in reducing car traffic in London. However it is not necessarily the case as more ‘empty’ circulating vehicles are not helpful to the environment or traffic. It is probably desirable that no low occupancy vehicles, even if taxis, are given advantages over other vehicles.
We do not see mobility as a service being particularly relevant for the introduction of road user charging – political courage and support combined with an integrated holistic approach to transport and a need to replace present petroleum and vehicle taxation (with an alternative affecting electric vehicles), as the strongest drivers.

**Digital communications:**

TAG do not consider we are best to comment on the group of questions below except to say home working, conference conversations - instead of long distance national and international travel, management information on network conditions and services and personal advice on services by electronic means are all helpful.

**17. What are the highest value infrastructure investments to secure digital connectivity across the country (taking into consideration the inherent uncertainty in predicting long-term technology trends)? When would decisions need to be made?**

**18. Is the existing digital communications regime going to deliver what is needed, when it is needed, in the areas that require it, if digital connectivity is becoming a utility? If not, how can we facilitate this? Note: the existing “regime” refers to the current market, competition and planning frameworks. “Digital communications” includes both fixed and mobile connectivity.**

**Energy:**

Again TAG have only limited knowledge of this sector but we do make some observations as below.

**Question 19. What is the highest value solution for decarbonising heat, for both commercial and domestic consumers? When would decisions need to be made?**

Rebalancing the economy between the north and south, densification of our cities, energy conservation/insulation, use of roofs for photovoltaic generation, better storage of energy, combined heat and power, microgeneration and more electric vehicles with more available charging facilities could all be beneficial

**Question 20. What does the most effective zero carbon power sector look like in 2050? How would this be achieved? Note: the “zero carbon power sector” includes the generation, transmission and distribution processes.**

No comment from TAG

**Question 21 What are the implications of low carbon vehicles for energy production, transmission, distribution, storage and new infrastructure requirements?**

We understand that transport is responsible for about 25% of the CO2 produced in the country and therefore a similar proportion of the energy. We do not believe that air travel can be electrified in the near future however small drones can stay airborne for up to about half an hour – unthinkable with electric motors and batteries 15 years ago; Electric cars now have quite respectable ranges and this is improving rapidly. The result would appear to indicate we will need a significant increase in generation capacity to provide for road transport.-please see our answer to question 19 for where this generation may come from.

**Water and wastewater (drainage and sewerage):**

**Question 22. What are most effective interventions to ensure the difference between supply and demand for water is addressed, particularly in those parts of the country where the difference will become most acute? Note: “demand” includes domestic, commercial, power generation and other major sources of demand.**
Question 23. What are the most effective interventions to ensure that drainage and sewerage capacity is sufficient to meet future demand? Note: this can include, but is not necessarily limited to, governance frameworks across the country.

Alternatives to traditionally engineered sewerage solutions need to be investigated. These should include real time control, storm water retrofit techniques, education to enable communities to change behaviour, enhancing incentives for communities to reduce surface water flowing to sewers and innovative permitting arrangements across drainage networks and sewerage treatment works. Water and sewerage companies should continue to review and develop other innovative solutions.

For example, where a company may historically have preferred to tackle sewer flooding or combined sewer overflow pollution by increasing its underground drainage to store more rainfall during storms, it might consider other options in future – such as working with customers to manage the rainfall close to source, preventing it from entering the sewer.

Question 24. How can we most effectively manage our water supply, wastewater and flood risk management systems using a whole catchment approach?

**Flood risk management:**

Question 25. What level of flood resilience should the UK aim to achieve, balancing costs, development pressure and the long-term risks posed by climate change?

Flood and coastal erosion is expected to increase due to climate change and development in areas at risk. It is not possible to prevent all flooding or coastal erosion, but there are actions that can be taken to manage these risks and reduce the impacts on communities.

There are a wide range of approaches available to manage flood and coastal risk. Risks should be managed in a co-ordinated way within catchments and along the coast and balance the needs of communities, the economy and the environment. Risks of flooding and coastal erosion should be clearly understood, to enable investment in risk management to be prioritised.

Clear consistent risk management plans should be set out so communities and businesses can make informed decisions about the management of the remaining risk.

Emergency plans and responses to flood incidents should be effective and communities should be able to respond effectively to flood forecasts, warnings and advice. Communities should also be able to recover quickly and effectively after incidents.

Question 26. What are the merits and limitations of natural flood management schemes and innovative technologies and practices in reducing flood risk? Note: “innovative technologies and practices” can include, but is not necessarily limited to, property level resistance and resilience, temporary defences, advances in predictive asset maintenance and innovative construction materials.

Natural flood management (NFM) schemes can provide many benefits such as; reducing flood risk to smaller more prevalent events; multiple environmental benefits, such as improved soil and water quality by managing surface water runoff; schemes are relatively cheap to implement; maintenance can form part of land management practices. NFM schemes are limited by their ability to remain effective during major flood events.

Property level resistance and resilience measures have had a significant effect on allowing property owners the ability to take control of their own flood risk, allowing communities to recover more quickly and effectively after incidents. These measures should however be treated as the last line of defence as they do not address wider community and environmental issues.
Temporary defences can be an effective means in reducing flood risk with the ability to deploy at different locations when required. It is important to consider the amount of setup time and labour needed to prepare the defences in addition to factors like cost and protection. Depending on flood frequency and site conditions, it may be more cost effective in the long-term to install a permanent, in-situ flood barrier.

The above technologies or practices should not be considered as standalone options for reducing flood risk to communities, but instead should be considered alongside more ‘traditional’ management techniques in order to take a more holistic approach to the management of flood risk.

**Solid waste:**

**Question 27. Are financial and regulatory incentives correctly aligned to provide sufficient long-term treatment capacity, to finance innovation, to meet landfill and recycling objectives and to assign responsibility for waste?**

The simple answer at this stage is “no”. Currently, local authorities are under considerable pressure to deliver ongoing improvements in terms of their waste collection arrangements, while also delivering improvements and better efficiency regarding waste and resources treatment and disposal. Pressures are coming to bear in terms of the supply chain (increased costs), increases in residual waste arisings, increasing emphasis on health & safety (rightly so) and dynamic waste streams (i.e. newspapers, which used to generate a revenue for local authorities is declining in correlation to the rise of social media).

These developments have tended to mean that budgets are squeezed and “more from less” becomes the order of the day. This means that publicity and communications budgets have been amongst the first to suffer and has meant that engagement with residents has reduced.

In order to turn the curve and reduce the generation of residual waste, there needs to be a complete recast of the narrative around waste. Several of the answers above (see Q1, Q6) have highlighted that there is a risk of an infrastructural deficit arising in light of Brexit and a lack of funding to develop or maintain the existing facilities. Given the many millions of tonnes of waste generated in the UK each year, this needs to be addressed with urgency as already concerns about increases in waste crime are crystallising (see [http://www.endsreport.com/article/55331/concerns-over-post-eu-illegal-waste-trade-mount](http://www.endsreport.com/article/55331/concerns-over-post-eu-illegal-waste-trade-mount)) and without appropriate facilities and an increasing emphasis on the inherent value in the materials being discarded or recycled, the sector will underperform.

This will need specific Government policy to establish the direction of travel and provide certainty for investment and clarity as to expected outcomes.

**Question 28. What are the barriers to achieving a more circular economy? What would the costs and benefits (private and social) be? Note: A “circular economy” is an alternative to a traditional ‘linear economy’ (i.e. make, use, dispose) in which products are designed and packaged to minimise waste, and resources are kept in use for as long as possible, e.g. through re-use, recycling and greater recovery of materials through the waste management process.**

At present, a lack of clear Government policy and direction and confusion around the CE Package being discussed in Europe, confounded by the Brexit timetable, is hampering support for and investment in the Circular Economy. Much of industry is looking for certainty and simplicity in order to be able to develop appropriate business models (generally on a pan-European basis to streamline production and manufacture and minimise costs) and the UK is failing to provide that at a national level.

This is creating confusion and tension also between the regions where both Scotland and Wales have adopted more ambitious approaches and would seek to be world-leaders in this area. Despite many positive stories in UK manufacturing, the UK is missing out on what is increasingly being called the fourth industrial revolution and a global trade valued in the trillions (see [http://www.mckinsey.com/business-functions/sustainability-and-resource-productivity/our-insights/europes-circular-economy-opportunity](http://www.mckinsey.com/business-functions/sustainability-and-resource-productivity/our-insights/europes-circular-economy-opportunity)).
4. Concluding comments

4.1 TAG can only advise that in order to tackle the problems associated with existing infrastructure and deliver the required new infrastructure and services over the next 30 years the most appropriate authorities need to be adequately resourced, given, or allowed to use, adequate powers and that revenue funding is fundamental part in providing the right infrastructure. TAG is confident that within local authorities there is adequate understanding and expertise to adequately deal with appropriate planning of our towns and cities, transport, flooding and waste issues.

4.2 Please do not hesitate to contact me through Andy Morris the TAG Secretary or other TAG colleagues if you require further detail information or wish any further discussions on a face to face basis.

Yours sincerely,

Rob Gillespie
President of the Local Government Technical Advisers Group

Attachments / Appendices as part of this submission:
1. Tag’s Submission to the ICE on National Needs Assessment Feb 2016
2. Tag’s Submission to the House of Commons Transport Select Committee 6th Dec 2016
   2.2. TAG submission on NATA refresh Feb 2008
3. Joint TAG ADEPT response on resilience

April 2019