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Dear Samantha,

### **London First response to TfL consultation on Transport 2025**

#### **1. Introduction**

London First is a business membership organisation whose aim is to improve and promote London with the objective of ensuring that London maintains and enhances its position as a leading world city. London First delivers its activities with the support of approximately 300 of the capital's major businesses in key sectors such as finance, professional services, property, ICT, creative industries, hospitality and retail. Our members represent a quarter of London's GDP.

This response refers to both the T2025 publication and the accompanying slide pack, used at the stakeholder launch on 23 June 2006.

#### **2. Context**

London is one of three leading world cities alongside New York and Tokyo. With 7.5 million inhabitants it has the largest urban population of any city in Europe and over the last 25 years has seen its population, economy and status grow substantially.

The capital is the major driver of the UK's economy. It is a global centre for financial and business services and it competes not with other regions of the UK but with other world cities. Furthermore, it is a global centre for tourism and culture, attracting nearly 13.5 million overseas visitors each year.

Transport in the Greater London area has to be planned in a regional context. The population of the London, East and South East regions is forecast to grow by over 2 million by 2021<sup>1</sup>. Planning strategies are predicated on employment growth of some 1.5 million<sup>2</sup>. There is an integral relationship between London and the other two regions, which together account for 43% of GDP<sup>3</sup>. The competitiveness of the UK economy depends largely on London and the outer metropolitan area.

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<sup>1</sup> Office of National Statistics – Region in Figures, 2004/2005

<sup>2</sup> London Plan 2004, South East Regional Plan 2005, East of England Regional Plan 2005

<sup>3</sup> Office of National Statistics

### **3. Why transport matters**

#### **3.1 Access to jobs**

The concentration of employment in the central business districts of London – the West End, the City and the Isle of Dogs – depends on high capacity public transport. Over one million people travel into central London in the morning peak each day, of whom some 88% use public transport<sup>4</sup>. 725,000 commute into London from the surrounding regions<sup>5</sup>.

Growth of the London – and UK – economy depends on London's continuing success as a global financial and business centre. This growth is not constrained by domestic growth parameters, but is potentially linked to the growth of the global economy. Equally however, it can take place in one of the other global economic centres. Central London benefits from the "agglomeration effect": the concentration of business links and skills which allows a high degree of specialisation, not only in financial and business services of all kinds, but also in the media, publishing, design and other creative industries.

#### **3.2 Attracting investment and talent**

The outstanding growth of London's business and financial service sectors is driven by its attractiveness to international companies. They employ over 1.4 million people in London and account for nearly a third of its GVA<sup>6</sup>. The exceptional productivity of Central London employees depends on attracting the best talent from all over the world. But London could easily lose many of these jobs and talent if its attractiveness is reduced. The quality of London's transport compared with other world cities is a common cause for concern.

#### **3.3 Sustainable development**

Achievement of the ambitious housing targets set by the Government and the Mayor to meet the chronic housing shortage in London and the south east depends on building new homes in major growth areas – Thames Gateway, London, the Cambridge corridor, Milton Keynes/South Midlands and Ashford. Across the whole of London, the East of England and the South East of England, 84,300 new homes are planned each year, a total of over 1.6 million new homes by 2025. Higher density housing tends to produce more sustainable communities as they are more likely to encourage local commercial development. The private sector is very unlikely to invest in high density development without public sector investment in adequate transport infrastructure.

#### **3.4 Delivering goods**

Delivery and servicing operations are essential to support business prosperity and economic growth. In particular, London's road network is vital as 82% of freight movements are made in lorries and vans<sup>7</sup>, and goods vehicles form 16% of all traffic on the road network<sup>8</sup>.

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<sup>4</sup> Department for Transport, Transport Statistics for Great Britain, 2005

<sup>5</sup> GLA, Growing Together: London and the UK Economy, January 2005

<sup>6</sup> Corporation of London, London's Place in the UK Economy, 2005-2006. November 2005

<sup>7</sup> TfL, London Travel Report 2005

<sup>8</sup> TfL, London Travel Report 2005

Evidence indicates that congestion is approximately twice as bad in London as it is in other UK cities. Traffic speeds in London are 26% lower than New York and around 20% lower than Singapore. More generally, congestion causes huge inefficiencies for business. In a survey of 100 London First members conducted in 2006, congestion was a concern for 85% of respondents.

The performance of the transport system and road network falls well below that expected of a city of global prominence. Critically, if London is to continue to grow its economy, attract and retain international investors and visitors and deliver the benefits to its residents and the wider UK economy, a step improvement in transport is needed.

#### **4. Overall approach**

We fully support a multi-faceted approach of providing new capacity, implementation of demand management measures and increased renewal and efficiency.

##### **4.1 New capacity**

Delivering additional capacity to better link population and employment growth areas is vital to sustainable development. In addition, we believe that enhancements to London's transport network must maximise the legacy of the 2012 Olympic Games, support high density development and strengthen international links.

We are concerned however that there appear to be very few major infrastructure projects identified in the longer term (2016-2025). If growth forecasts are accurate, these longer term projects need to be identified now due to extensive project delivery lead times. In particular, additions to the Tube system and further enhancements to the rail network are likely to take over 15 years to deliver. For example slide 82 in the slide pack identifies where there will be continued overcrowding in 2025, but does not include any plans to address it with continuing uncertainty about Crossrail 2.

Furthermore, Government has recently stated that there will be a national Road User Charging (RUC) scheme in the next decade. To effectively manage congestion in London, charges will need to be set at levels that will generate considerable revenues which could be reinvested. We encourage TfL to develop T2025 to include scenarios with and without RUC. This would allow a more effective dialogue on the likely increased demand for public transport (providing higher rates of return on investments) and increase the visibility of the potential benefits of reinvesting RUC revenues.

##### **4.1.1 Rail**

The case for development of the rail network in the medium term is well made. In particular, delivery of Crossrail is clearly vital to continued economic growth and to support growth in population. We also welcome important schemes such as Thameslink, station capacity upgrades, and completion of the orbital rail network with East London Line Phase 2.

It is also important to reiterate the need to further develop airport surface access. While Airtrack may be partly private sector funded, it would be an important element of London's rail network. Maintaining and developing services such as Gatwick Express and Stansted Express in this timeframe is also crucial to our international connectivity.

As a point of detail, including passenger numbers in the diagram on page 72 would help to demonstrate better the magnitude of the rail system in London relative to other regions. In its present form, Chiltern Evergreen 2 appears to deliver as much capacity increase as Crossrail.

#### **4.1.2 Road network**

The road network is vital to business. Business relies heavily on road transport particularly for the delivery of goods but also for travel in the course of work, commuting by employees and for customers to access shops, services and leisure activities.

Increasing demand and some elements of policy direction have historically reduced average speeds and journey reliability for essential road users and adversely affected kerbside conditions for delivery and servicing vehicles.

With the Government's statement regarding national Road User Charging, the case for building extra road infrastructure – without creating extra traffic – exists across London for the first time.

Therefore, policy should include a range of major road network developments to restore and maintain conditions for essential traffic and support sustainable development in growth areas.

##### **4.1.2.1 Silvertown Crossing**

In particular, lessons from the Thames Gateway Bridge project should be applied to prevent further slippage of the Silvertown Crossing. Project development should start now to enable it to be delivered by 2016. A crossing at Silvertown would support the development of adjacent Opportunity Areas and maximise the legacy of the Olympic Games.

#### **4.1.3 Tube**

The Tube is one of the most important travel modes for business, providing critical links between the West End, the City and the Isle of Dogs, and residential areas. It is vital that the Tube PPPs deliver the planned benefits and that upgrades outside the scope of these contracts – such as station capacity upgrades – are taken forward promptly.

#### **4.1.4 Air**

While airport operation and development are not the direct responsibility of TfL, the necessity of air travel should be recognised and actively supported as part of the transport network. TfL should work with London's airports to improve surface access, including planning and investing for extended operating hours on public transport to reduce the need to rely on private vehicles.

##### **4.1.4.1 Heathrow**

In particular, Heathrow Runway 3 is regarded as essential to business in London. A recent survey of a sample of London First members showed that Heathrow was the preferred choice for business travellers. We believe that TfL should be working with stakeholders to quantify holistically the current and potential benefits of expanding capacity and increasing connectivity, in order to support the local, Greater London and UK economies, within environmental targets.

#### **4.1.4.1 London City Airport**

London First is extremely concerned about the Mayor's suggestion (in response to the London City Airport masterplan) that the airport's future should be re-examined when Crossrail is open. LCA is a critical piece of infrastructure for London, the City, and Canary Wharf and the Thames Gateway. The unique service it provides will not be replaced through quicker access to Heathrow.

#### **4.1.5 Trams**

We fully support the development of cost effective public transport in London - carefully matched to forecast demand - to deliver the objectives outlined in T2025. We believe that due to the high construction and running costs of trams, such systems will only be cost effective in very high volume corridors. In addition to this concern, we understand that the existing road network is insufficient to maintain conditions for essential road users in some areas if trams were introduced. We believe that the West London Tram is not suitable and should not be developed in the near future.

#### **4.1.6 River**

While passenger capacity on the river is low compared to other modes, it is a useful means of transport for some Londoners and an asset to the tourist industry. We believe that TfL should identify how the Thames could be used better for both passenger and freight traffic.

### **5.1 Demand management**

#### **5.1.1 Road User Charging**

Road congestion increases travel delays, reduces journey time reliability and generally acts as a deterrent to travel, and as such is a major concern for business. Congestion costs London an estimated £1.6 billion annually, which equates to 1% of the capital's total GDP. In London, road transport produces 21% of CO<sub>2</sub> emissions and continues to grow. As forecasts show congestion is likely to grow 25% by 2025, the health and wealth of London depends on addressing this problem.

While soft measures and land use policy are welcome, our research has concluded that Road User Charging is the most effective policy route to significantly reducing demand. T2025 identifies a range of measures that could be used to manage travel demand, but makes no strong statement that further RUC has to be pursued. Furthermore, TfL's draft road plan has stated that further RUC schemes could be implemented in 2009. It is therefore disappointing to see that T2025 suggests that schemes would be implemented in 2011, at the earliest.

As RUC has been proven to be effective in reducing congestion, can help to cut vehicle emissions and can generate considerable funds for investment in public transport, we believe that T2025 must take a stronger position on implementation of further schemes.

Without RUC, we do not believe that T2025 contains an effective tool for tackling high and growing congestion in outer London.

## **5.2 Renewal and efficiency**

### **5.2.1 Corridor management**

Due to the problems of congestion stated above, we warmly welcome TfL's proposal to increase corridor management. We believe that it is vital to optimise the capacity of the major roads in London and in doing so, to improve peak and off peak conditions for essential vehicles. There is a clear need to re-balance road and kerb space allocation in many areas in London, so that businesses are better able to undertake their activities safely, legally and efficiently.

### **5.2.2 Bus services**

While we support development of the bus network and recognise TfL's achievements, bus congestion is a concern in an increasing number of areas in London. Within this timeframe, TfL needs to identify ways of maintaining levels of access while reducing bus congestion and increasing average ridership.

In particular, with major works being considered at both Marble Arch and St Giles Circus (intersection of Tottenham Court Road/Oxford Street), it seems desirable and feasible that bus traffic is heavily reduced or removed from Oxford Street in order to improve the current conditions for pedestrians.

### **5.2.3 Consolidating delivery journeys**

Retail and construction consolidation centres are proven to reduce journeys by 65-70%. As goods traffic accounts for 16% of all traffic on the road network<sup>9</sup>, such centres would be an effective tool to reduce congestion in London. Due to the alignment of objectives and financial considerations, consolidation centres are an ideal candidate for funding from RUC revenues. Developments at Stratford City and Cricklewood would be ideal opportunities for a trial of this concept.

### **5.2.4 Co-ordination of TfL schemes**

We would encourage TfL to review all current schemes and proposals to identify where financial efficiencies can be realised and savings reinvested. For example, closer co-ordination of the Low Emission Zone, Congestion Charging, Bus Lane Enforcement and further Road User Charging infrastructure schemes would release considerable funds. Additionally, harmonising ticketing, fares, payment methods and enforcement policies across London could help deliver savings and raise public awareness.

### **5.2.5 Funding of borough schemes**

We believe that TfL funding of borough schemes needs to be better focused. For example, current guidance does not include a firm incentive to reduce congestion – a significant problem on many major borough roads and an objective specified in the Traffic Management Act 2004.

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<sup>9</sup> TfL, London Travel Report 2005

## **6. Ability to deliver**

While we recognise that T2025 is a policy initiative, it is important to make two salient points relating to delivery.

### **Governance**

The management of both rail and roads in London remains fragmented. We would support any further initiatives to improve co-ordination of the overall transport system provision, across all modes.

### **Speed of delivery**

Developing and delivering major transport projects in the UK is notoriously slow and we urge TfL to proactively encourage a debate to identify how best project delivery can be improved, while maintaining levels of public consultation.

**Baroness Jo Valentine**  
**Chief Executive**