

Check against delivery

LORD BRADSHAW TO CALL ATTENTION TO THE QUALITY AND COST OF PUBLIC TRANSPORT AND THE LEVEL OF CRIME ON PUBLIC TRANSPORT; AND TO MOVE FOR PAPERS.

May I congratulate the Noble Lord Bradshaw on securing this timely debate.

As many noble Lords may recall, I am Chief Executive of London First, a non-profit making business organisation whose membership includes both transport providers and users. When business leaders are asked what is the major driver of London's future success, the quality and quantity of transport infrastructure is their enduring response. Business leaders in other UK Cities mirror this response.

So why does transport matter?

Recent research by the Centre for Cities, in keeping with the Eddington Report, affirms that good transport, particularly in and between major cities, is a necessary condition for economic growth. And the UK simply hasn't the world-class transport system it deserves.

In the Capital we have seen decades of neglect: transport investment that is inadequate to maintain let alone improve our networks, outstripped by economic and population growth. So while we now have very welcome commitments to Tube modernisation, Crossrail, Thameslink, a third runway at Heathrow - they are long overdue, and, of course, yet to be delivered. We are in a perpetual state of catch up.

London is the UK's gateway to the world economy, a true world city. But its millions of commuters would not consider their daily experience to be world class. Many of us on the underground at rush hour, unable to elbow our way into the crush, would use much less parliamentary language to describe our journey. With another million people and at least half a million extra jobs forecast by 2026, London's constrained transport capacity will once more pose a threat to our national success and global competitiveness -- as well as damaging Londoners' quality of life.

On the other hand there is clear evidence that investment which builds London's economic capacity benefits the UK as a whole. Investment in transport infrastructure can cement long term growth and prepare us for the upswing when it comes. London is not an island state and its needs resonate with national needs.

In my contribution today I shall focus on the issues of quality and cost; but I'd like to mention one issue in relation to crime. Initiatives from the Mayor, Transport for London and from British Transport Police have seen a significant reduction in crime on public transport in the last year. This is very welcome but, critically, is not accompanied by similar reductions in criminal behaviour in neighbouring areas, adjacent to the transport nodes. We must be certain that we are not merely displacing the problem. I look forward to British Transport Police working with their colleagues in the Metropolitan and City forces to tackle this issue.

I want to make three principal points:

First, improving quality may be reliant on loosening capacity constraints.

Second, some transport improvements depend less on money and more on customer-focused management and coordination.

But third, good quality public transport ultimately costs money. Whether it's the taxpayer or the passenger, someone has to foot the bill.

Quality and capacity are intimately linked; quality improvements are limited where capacity is constrained; consider congested streets, crowded Tubes and stacking in the air. If London is to be the best city in the world to live, we forget at our peril that people come here to do business. If we are to attract and keep the brightest of the world's talent, the capital must do more than transport them in glorified cattle trucks. Reliability, comfort, convenience and speed are fundamentals.

A recent London First study, looking at the quality of the passenger experience at Heathrow, our only hub airport, makes the point. It concluded that one of the reasons travellers are so frustrated is that it operates at 99% of its permitted capacity. It gives us frequent flights to many of the places we want to go, but by scheduling without any slack. This inevitably leads to delays -- whenever something goes wrong there is no room to recover.

But, to continue the Heathrow illustration, a third runway will only deliver the quality improvements needed if measures are in place to prevent it filling up again to bursting point. Regulations and customer focused management must address delays, noise and air pollution. A mechanism will be required to allow slots to be withdrawn if standards are breached. When "bigger" comes, "better" must be the minimum acceptable outcome.

This leads me to my second point. We need to create the conditions for better operational management, be it of air capacity, on the Underground or on London's roads. Overcoming poor quality is not just a matter of supplying more trains, more buses, more planes. It requires, particularly in the capital, a high and better level of coordination. It requires clever modern management of, and investment in, the less glamorous infrastructure of signalling and safety systems.

Spend just a little time looking at the impact of road works in London, and you will quickly understand the difficulty of assigning responsibility, aligning incentives and ultimately mitigating the effects on quality; choked streets impact upon quality of life, air and noise pollution as well as the car, taxi, bus and van passenger experience, not to mention their efficiency.

And there needs to be strategic oversight of journeys involving more than one mode of travel. High speed rail, enthusiastically and commendably championed by the new Secretary of State will not fulfil its potential if passengers' journeys consist of a comfortable hour from Manchester to Kings Cross and an uncomfortable armpit and elbow hour from Kings Cross to, say, Hammersmith.

Finally, my third point. Noble Lords are too wise to be taken in by the fools' gold of bigger, better and cheaper. Yes we need investment in transport. There is a legitimate debate to be had as to whether public transport should be funded by the state or by users. But we are in a deep recession with unprecedented peacetime deficits. We need to be realistic about how we weigh increases in fares against the burden of tax, as well as being conscious of the need to maintain socially important concessions.

So let's ensure that there are no scales over our eyes: we cannot have Continental levels of public funding at American levels of taxation. Indeed we may not be able to afford Continental levels of investment at historically continental levels of taxation until we've tamed the deficit.

Of course we must seek the right public and private structures to optimise efficiency. Crossrail, for instance, is being funded by a combination of taxation, of business contributions and indeed the farebox. But whatever the arrangement, good quality public transport costs.

May I conclude by congratulating the Noble Lord, Lord Adonis on his recent elevation. It is refreshing to have a Secretary of State who is both passionate and knowledgeable about his brief. And all the better, for me at least, for his being in this House!

Given the state of forward funding for investment, he must concentrate on maximising bangs for bucks. His aim should be to prioritise investment which will unshackle growth and support increased economic activity. Transport investment passes that test. Transport investment in London gets an A Star, underpinning growth in the most productive region of the UK, and thereby generating billions of tax for the Exchequer.