



RAC  
Foundation

# Transport in the Cambridge sub-Region

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# Context:

## The National Infrastructure Shopping List!

**Summary table – Likely minimum level of infrastructure investment required in Britain by 2020**

Sector	Requirement	Cost (£ billion)
Energy	Replacement requirement	42
Energy	Investment in the networks	65
Energy	Renewables	136
Energy	Energy efficiency	21
Transport	Rail networks and high speed lines	69
Transport	London transport	32
Transport	Roads	9
Transport	Air transport	10
Communications	Nationwide roll-out of Fibre to the Cabinet/Very High Speed DSL (FTTC/VDSL)	5
Water	Water and sewerage networks	37
Water	Flood and coastal defences	8
<b>TOTAL</b>		<b>434</b>

Source: From Helm, Wardlaw and Caldecott, Policy Exchange, 2009

Broadly confirmed  
by Infrastructure UK (HMT) in its  
National Infrastructure Plans

A problem for any government!

# We are short of roads: EU Road Passenger Density



# Population and traffic growth in England

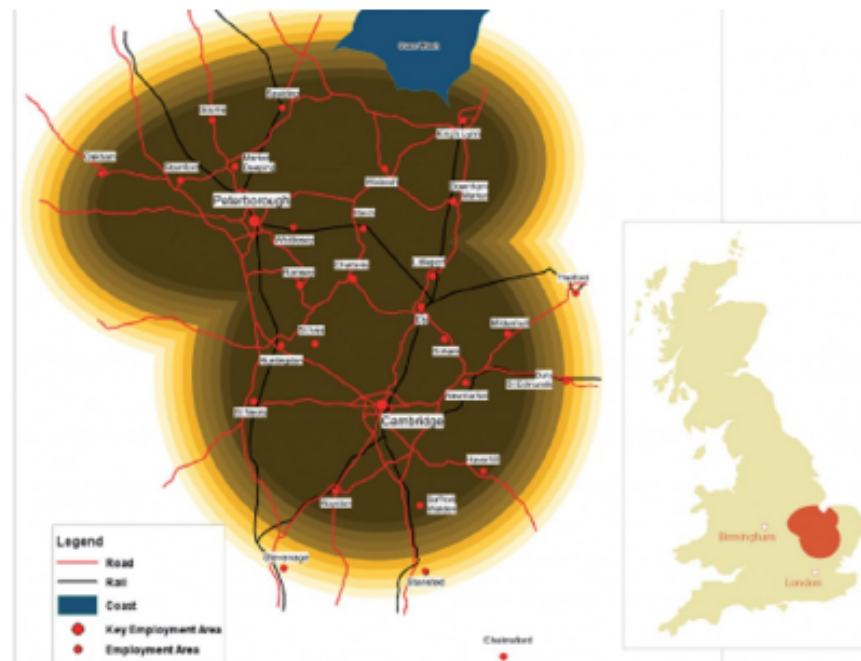
	2010 population (million)	Population growth %		Traffic growth %
		2020 on 2010	2030 on 2010	2035 on 2003
North East	2.6	4	8	34
North West	6.9	4	7	39
Yorkshire and Humberside	5.3	8	17	44
East Midlands	4.5	8	16	48
West Midlands	5.5	5	11	39
East	5.8	10	20	45
London	7.8	9	16	40
South East	8.5	8	16	44
South West	5.3	8	17	46
<b>Total for England</b>	<b>52.2</b>	<b>7.3</b>	<b>14.4</b>	<b>43<sup>29</sup></b>

Source: Department for Transport



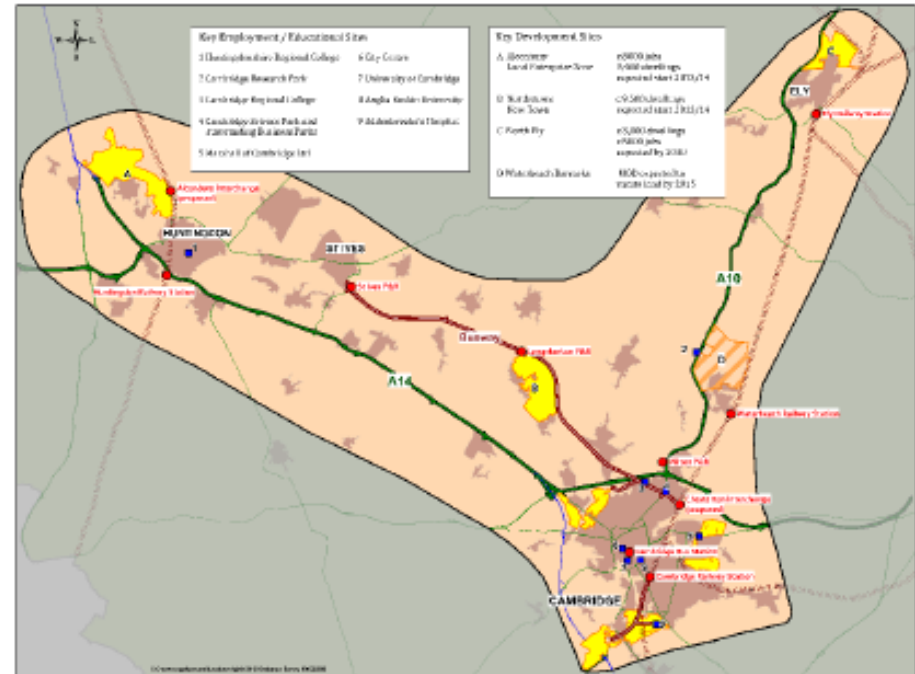
# Cambridgeshire Economy

- ◆ The Cambridge City Region is among the best performing economic areas in the country
- ◆ World's top performing University - some of the world's best science based graduates and research.
- ◆ Housing and jobs growth will boost the economy.
- ◆ Transport investment required to enable growth.
- ◆ Local Enterprise Partnership to drive economic agenda.



# Development Growth

- ◆ Population of Cambridgeshire expected to grow by 22% to 2031
- ◆ In City region, employment grew from 106,900 in 1982 to 179,200 (est.) by 2011.
- ◆ Significant housing growth already taken place e.g. within and around City including at Cambridge Station.
- ◆ Some 38,000 homes alone expected in A14 corridor to 2026 e.g. Northstowe New Town
- ◆ Future economic growth e.g. Alconbury (Ent. Zone), close to junction A1 & A14



## A nationally & internationally significant route

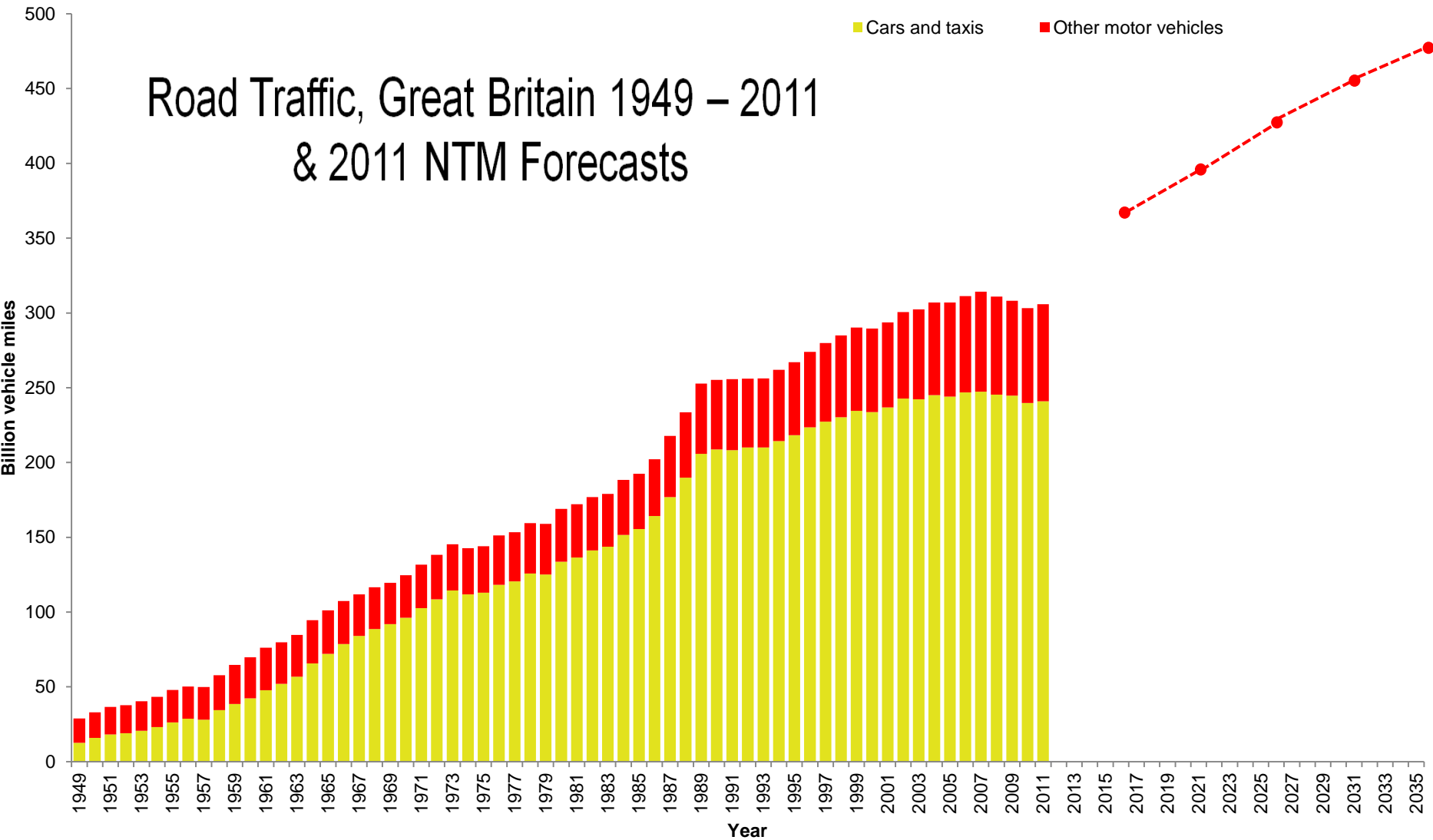


E24 – part of UN international E road network 254km - from Birmingham to Ipswich

[www.cambridgeshire.gov.uk](http://www.cambridgeshire.gov.uk)



# Road Traffic, Great Britain 1949 – 2011 & 2011 NTM Forecasts



# These forecasts are controversial

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There are important demographic changes going on  
Only partly understood

These may affect urban travel patterns

Will affect rural, intercity and strategic freight patterns  
*differently*

Rapid population growth WILL put additional demand on all local  
infrastructures

Do we have a looming road capacity problem?

# Development of the “growth agenda”

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Autumn 2011: increased funding for rail and for HA “pinch points”

Consultation on A14: “A14 Challenge”  
Publication of shortlist of options

The Prime Minister (19 March 2012):

“There’s nothing green about a traffic jam – and gridlock holds the economy back”

“We need to look urgently at options for getting large scale private investment into the national roads network – from sovereign wealth funds, pension funds and other investors”

## In recent days:

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Announcement of new Treasury minister  
In charge of economic delivery, including  
Infrastructure UK's National Infrastructure Plan

Publication of a Bill to give HMT new powers to  
underwrite infrastructure investment risks  
? And to make grants?

Speech by Danny Alexander on 10 September

# ...but for roads the funding model is incomplete

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“We need to look at innovative approaches to the funding of our national roads – to increase investment to reduce congestion. Road tolling is one option

– but we are only considering this for new, not existing, capacity...”

# Funding vs Financing

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£40 to £50 billion a year to 2020!

This is a FUNDING requirement:

it will have to be found by consuming less  
and investing more

FINANCING is a way of adjusting the timing

# Funding vs Financing

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FUNDING is about who pays in the end  
charges to users  
local tax payers  
national taxpayers

FINANCING is about borrowing...  
and repaying

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Pension funds etc will only invest for a return...  
**FINANCING** not **FUNDING**

To achieve genuine, new private funds  
need to create an investable asset:

- (1) A new, dedicated income stream
- (2) Transparent, encapsulating, legally enforceable governance



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The recent announcement on A14 welcome:

Gvt. will consider a toll on *existing* (improved ) line of route

# BUT!!!

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There are few locations where a new, free-standing road could be FULLY funded from tolls.

the A14 will require

tolls

+ local tax contributions

+ national Exchequer contribution

Putting the funding together may cause further delay (a good scheme was cancelled 2 years ago!)

..... AND

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The need is for more strategic and local road capacity ALL OVER THE REGION

One (tolled) scheme is not sufficient!

Tolls are *in addition* to existing road taxes: large scale road pricing requires offsetting tax reductions? That would be a proper transport policy

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The public needs to understand that  
if Govt. unwilling to reform charging

then either

roads conditions are going to get worse

or

more central or local public money will have to be  
diverted from other uses!

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If,  
but only if  
a new income stream is created  
then the private sector will invest in roads  
and  
the Region's economy will function to its potential