

South London Partnership
Response to National Infrastructure Commission Call for Evidence
January 2016

1. Introduction

The South London Partnership represents the Boroughs of Croydon, Kingston upon Thames, Merton, Richmond upon Thames and Sutton, and through the South London Transport Strategy Board also involves Lambeth, Wandsworth, TfL, operators and businesses in developing a transport vision for the sub-region. Through the South London Growth Board, working with the GLA on wider economic development issues, we are also actively engaged in making the case for increased investment to enable economic growth of the sub region.

The South London partners have an agreed vision for the sub-region:

"South London will be a vibrant sub-region contributing to London's competitiveness and sustainability, through increased employment, a high skilled workforce and a high quality of life – supported by an enhanced and sustainable transport infrastructure".

We are therefore strong advocates for South London on all transport, planning, economy and business matters, as evidenced by our work to date with a wide range of stakeholders, agencies and communities.

2. The call for evidence

We welcome the creation of the National Infrastructure Commission and its objective of providing independent advice to government on long term investment choices. We recognise that the plethora of agencies historically involved in major infrastructure decisions have not always been coordinated or managed well and therefore we would expect that future infrastructure plans and policies will be enhanced by your role.

This response to the call for evidence has been developed by the South London Transport Strategy Board and reflects strategic sub regional matters or concerns shared by all of our Boroughs, and where appropriate specific local issues of the individual South London Boroughs will be considered in their own organisation's responses.

Having reviewed the call for evidence we will focus our response on section 3: London's transport infrastructure.

In our response below we identify the key issues for South London and then provide more specific comments that reflect the questions in the call for evidence.

3. Key issues

We have in recent years made the case for significantly enhanced transport investment for South London to not only resolve existing transport capacity, reliability and quality issues, but build sufficient network capacity to enable our medium and long term growth objectives and targets to be achieved.

The growth agenda remains a key issue for South London. The population forecasts are now double those identified in the 2004 London Plan, with the latest projections at nearly 240,000 additional people by 2020 (that's equivalent of another Merton) rising to over 400,000 by 2031 (equivalent to another Croydon).

This of course creates great pressures on employment and services. The London Plan forecasts around 800,000 additional jobs but these are mainly located in the City. The GLA forecasts that South London is set to achieve only 40,000 additional jobs. SLP has developed alternative forecasts showing the sub-region could grow by 120,000 additional jobs. Far from being overly ambitious we believe that with the population now forecast to double even this number of new jobs is insufficient to keep in line with general population growth. We should be seeking to achieve one new job for no more than every two people added to the South London population.

The South London sub-region is well connected to central London by rail from our largest town centres but overall it has the lowest connectivity of any sub-region and we believe this is a principal constraining factor on our economic growth. We recognise that South London needs to access employment in Central London and the Docklands but also needs to have sufficient connectivity to develop our sub-regional centres to facilitate economic growth locally. As a 'resource exporter' South London in effect is an economic 'donor' to other areas of London, which is undermining our own sub-regional economic sustainability.

We can, of course, point to the scale of the transformation already underway, and the approach adopted by our Boroughs - for example Croydon's Growth Zone will deliver upwards of 23,500 new jobs and 8,300 new homes in Croydon's opportunity area by 2031, through the development of brownfield sites in the centre of the borough. The annual Gross Value Added equivalent of these jobs is estimated to be in order of £1.2 billion by 2031. Croydon's growth zone will therefore have a significant positive impact in delivering South London's Growth+ agenda and its success is built on strong existing and enhanced future public transport links.

With Croydon's renaissance already well underway, Kingston is also on a trajectory to deliver its own significant growth aspirations. The Borough is working with the Mayor on developing an opportunity area framework which will deliver new jobs and homes, as well as bringing forward district centre regeneration, for example in Tolworth. Sutton and Merton are also planning a significant housing contribution through the designation of housing zones in Sutton Town Centre, Hackbridge, and Morden; and Richmond provides outstanding quality of life, with some of South London's most attractive and popular residential areas. These opportunities for growth and regeneration amount to substantially more than 'business as usual', and are based on a clear vision and driving ambition to make South London the capital's first choice business and development destination which will deliver our Growth+ agenda.

Even if South London were to conform to what is sometimes seen as its traditional suburban role the need to deliver housing that meets our existing community requirements is also an increasing concern. We have sites in South London that are recognised as suitable for development but are slow to be brought to market because of

both perceived and real connectivity issues. A step change in transport infrastructure, network capacity and service quality, across all modes, is therefore needed to give the private sector confidence to invest in building new homes in our Boroughs.

South London has the highest road-based modal share of any sub-region, together with some of the slowest journey times due to congestion and inadequate road capacity. Indeed TfL have indicated that parts of our sub region already have longer journey times and higher congestion than is forecast without any investment by 2031 in parts of East London. In short our case for investment in all modes is more pressing than most other sub regions of London.

Many residents, workers and businesses in South London are dependent on rail services, given the sparse nature of the London Underground network, and they are vital to the continued growth of the South London economy. With the limited Underground provision in our sub region this inevitably places great reliance on the heavy rail infrastructure provided by Network Rail. Through our South London Rail group we have been proactive in engaging with Network Rail, Train Operators and TfL for greater investment, with some positive wins on Thameslink and the Overground network, but many disappointments as rail investment goes through perpetual “stop-start” cycles.

Inevitably there is investment required to make rail services more operational efficient and reliable now, while accessibility improvements are still needed for many of our stations. We have some of the busiest stations, feeding onto parts of the most overcrowded rail network in the UK. Therefore, we believe that these essential improvements should be promoted where possible from the long term planning to more immediate delivery. Through the NIC we will want to promote our case with Network Rail, Train Operators and the Department for Transport for credible short, medium and long term investment plans that can be delivered.

The Partnership fully supports the Crossrail 2 project and believes that it is essential to enable sub-regional centres in South London to compete effectively in terms of attracting new businesses, employment growth and increased retail trips. Crossrail 2 will bring the economic, social and accessibility benefits that the communities on the initial Crossrail 1 line will shortly be enjoying. In the response to the questions below we consider in more detail the expected benefits, approach to funding and ideas for managing costs.

Working with TfL over recent years we have been developing a Tramlink Strategy and route options for extensions, as annual patronage on the Tramlink network is currently at around 30m, when the network was originally designed for only 20m. It has proved a popular mode of choice and at peak times parts of the network suffer from severe overcrowding equivalent to the peak levels on major Underground lines. When considering priorities for investment Tramlink meets all of the core objectives – it is delivering significant local transport capacity, providing orbital links thereby opening up new growth opportunities and is hugely popular with users.

Tramlink is a prime example of the benefits of local transport infrastructure being enhanced to enable both radial and orbital routes in the sub region. It also highlights that for many of our communities it is local bus services that provide the key links to our metropolitan centres and key towns, as well as linking to employment, education, health,

retail and leisure opportunities. Local buses can easily “fall off the radar” when compared to major investment in road, rail, underground or tram services, but for our sub region it is the dominant form of public transport for many. Investment on bus infrastructure, including segregated routes and greater bus priority, enhanced interchange and modern hybrid or alternative fuelled vehicles, has been a longstanding component of our South London transport strategy.

Cycling is becoming an ever popular mode of transport and is environmentally friendly, brings significant health benefits and reduces congestion. The Mayor has a pan-London target with cycling accounting for 5% of the modal share by 2026. To achieve this goal a significant increase in cycling is needed on current levels across the whole of London and in particular in outer London, where generally the cycle mode share is less than 2%.

South London has the highest dependence on cars, accounting for at least 45% for all journeys made, and due to both to this and its demographics has the largest potential to realistically shift 700,000 journeys from car to bike.

Given the mayoral interest to promote and develop cycling, the Mayor through the TfL Business Plan has made provision for £910m for cycling. In order to secure this funding, sub-regional partnership working with the Boroughs is needed to provide innovative ways to increase the modal share within the sub-region. To this end SLP with the South London Transport Strategy Board was the first sub-region to publish its own cycling proposals (the South London Cycling Charter - December 2012). We believe such strategies can be utilised by the key agencies to identify the optimal investment choices for cycling infrastructure over short, medium and long term and we urge the NIC to include significant levels of new cycling infrastructure in its assessment of London's transport investment needs.

4. Response to the Questions

1. What are the major economic and social challenges facing London and its commuter hinterland over the next two to three decades?

As with all of London and south east England we see meeting the new travel demands arising from unprecedented population growth in South London as the major challenge. We have established a South London Growth Board to ensure that these fundamental issues affecting our sub region are considered in a coordinated and effective approach, always reflecting individual Borough priorities, but also recognising a collective desire for economic growth.

We have for some time been strongly concerned that with the anticipated population growth, if not matched by significant employment growth within our sub region, will accentuate the concentration of new jobs in central London and create even greater pressure on our already constrained radial routes. We recognise that demand for such trips and access to the centre will grow, albeit within increasingly confined physical limits on key rail routes specifically (even with Crossrail 2) and so we continue to make a strong case for what was once described as the “polycentric city”, where our metropolitan centres and key towns equally become the focus for new jobs and transport oriented development, reducing the need for radial trips to central London.

To achieve this goal, change perceptions and travel behaviours we need investment in high capacity orbital links that kick-start both housing and employment growth more evenly across the region. If we do not address this key spatial issue we will continue to have residents of Croydon, for example, more willing to take fast but crowded trains to central London, than choose employment nearer in say Kingston or Bromley, but with a journey three to four times longer on average. Such key differentials in commuting options continue to distort both the employment and housing markets and hamper growth in our sub region. It has long term social impacts and will reinforce the negative outcomes on life choices, health and wellbeing for many of our communities.

2. What are the strategic options for future investment in large-scale transport infrastructure improvements in London - on road, rail and underground - including, but not limited to Crossrail 2?

- *How should they be prioritised, taking account of their response to London's strategic transport challenges, including their impact on capacity, reliability, journey times and connectivity to jobs?*
- *What might their potential impact be on employment, productivity and housing supply in London and the southeast?*

It is perhaps too easy for any community, local authority or businesses to respond to questions such as this with a “shopping list” of schemes and projects which it may have had long term ambitions for, but never secured the funding. In our transport strategy development we have consistently returned to first principles to consider the context, the need, how demand develops and is managed, and then finally what is the infrastructure that is required to meet rigorously tested growth objectives. Through this process we have naturally developed priorities which seek to address the most pressing travel needs, open up development opportunities through enhanced access, change travel patterns to meet new demands and be broadly acceptable to our communities.

To meet such a prioritisation we would therefore expect that our South London partners will support national and London government when it achieves the following transport investment outcomes:

- Capacity, reliability and quality improvements on existing radial routes to central London – to meet planned for jobs growth in the centre and housing growth in our sub region - primarily rail investment by DfT, Network Rail and TfL on the key south west, south eastern and southern lines into London Bridge, Victoria, Waterloo and across London to the north.
- Provide significantly increased capacity on new routes and services into central London – to enable new and existing residents in South London to access employment in central, north, east and west London – which should focus on funding and delivering Crossrail 2 as the highest priority, but also through rail devolution develop new and enhanced Overground and Underground routes.
- Enhance existing and develop new orbital routes linking our metropolitan centres to areas of housing growth – enabling new travel patterns to develop and take pressure off of our key radial routes, enabling greater access to jobs, education, healthcare, retail and leisure, resulting in strong economic growth being spread throughout an

area and not just on radial corridors. This would include suburban rail and South London Metro options, new Overground links, Tramlink extensions, segregated bus corridors, cycle superhighways and Mini Holland type schemes. We would expect to see some new highways capacity developed at key locations, recognising the sensitivity to roadbuilding in our communities.

If such investments were made to deliver projects over the next twenty to thirty years (importantly starting now to plan and develop the projects) we believe we would see a fundamental change in the way that London grows and develops, with a more distributed population, greater economic strength overall and social diversity reflecting the new communities being built in South London. Without such investments all of the South London Boroughs will have to consider how they can meet pan London growth targets and whether they have to effectively discourage population growth unless it is fully matched by complementary investment in access, movement and mobility.

A key issue is programming investment to secure the greatest benefit. We are very conscious of the interdependencies between investments in various areas of infrastructure in terms of delivering optimum levels of development – it is rare that investment in one mode only secures a step change in growth. For example, at Tolworth, while Crossrail 2 is an essential piece of public transport infrastructure which will help facilitate growth in this area of opportunity, there is an associated requirement to improve the A3/A240 road intersection and identify supporting new road arrangements in the area which will help free up space for the required redevelopment. In particular this involves reducing the severance effect that the A3 Trunk Road has on this area. There are number of examples in our sub region where a greater coordinated investment plan will pay considerable dividends in bring forward growth in jobs and homes.

3. What opportunities are there to increase the benefits and reduce the costs of the proposed Crossrail 2 scheme?

TfL and Network Rail have engaged with SLP over several years to demonstrate the benefits of the Crossrail 2 scheme and ensure that the transport benefits – offering additional capacity, new route options and higher quality services – are seen as part of the wider leverage of growth opportunities that can be unlocked by major transport investment. Therefore we have reviewed the scheme design options, business case and funding proposals issued to date and at a strategic level recognise the benefits of the current proposed scheme. As always we will wish to delve further into the detail to see how any specific issues of winners and losers occur locally on our stations, routes and timetable, as the project is being developed. However on balance at the moment we believe that the benefits, both transport and non-transport, will probably be maximised with the current scheme and further route extensions or new stations, for example, would only add increasing complexity for marginal benefits.

We have been long standing advocates of the Crossrail 2 regional option, which includes a number of south west branches that would make a significant difference and enable real sustained growth in our Boroughs. Therefore any cost cutting which resulted in the loss of branches or stations, capacity or frequencies would, we believe undermine the viability of the whole project and specifically the benefits to our residents and businesses.

4. What are the options for the funding, financing and delivery of large-scale transport infrastructure improvements in London, including Crossrail 2?

- *What is an appropriate local and regional contribution - given the potential distribution of benefits to business, residents, transport users and the wider economy - and how could this be achieved?*
- *What innovative funding mechanisms could be considered to support delivery of key schemes?*

We recognise that public sector finances are facing a period of unprecedented austerity and this will have a direct and long lasting impact on transport funding across the UK. While we can seek to harness the interest and funding available from the private sector, whether through development contributions or direct equity investment, we have to assume that the availability of significant public funding for major transport infrastructure is going to be limited.

In such a volatile situation it is therefore important that the promoters of transport infrastructure schemes carefully identify where the user benefits are the greatest and whether there are the funds available or willingness to contribute from each of the key stakeholder groups – residents, transport users and businesses. Seeking funding from all of these groups, or just one, needs to be modelled and tested, in terms of both direct and indirect impacts. At this stage we do not have a view on the right balance between the potential contributors, to either top up or totally fund investment improvements. Our individual Boroughs are likely to have a stronger sense of what is achievable based on their communities, businesses and political views.

An example of this is the funding mechanism for Crossrail 2, which was subject of various studies in 2014 and ongoing development work. We recognise the scale of investment required to deliver the whole of the Crossrail 2 project, but also can see this is outweighed by the major impact on the productivity and economic growth of south London and the city more widely. Crossrail 1 is being funded through a combination of fares revenue, the Business Rate Supplement and Mayoral Community Infrastructure Levy (CIL). It is because of the London wide benefits that we want to press the Mayor and TfL to reflect the Crossrail 1 approach to securing funding from all London Boroughs (and if possible Surrey and Hertfordshire). At this stage to propose funding is drawn from only from the boroughs or developments that directly benefit from the south west to north east routes could be seen as inequitable and could be seen as unacceptable to our communities, businesses and political leadership.

We recognise the call for innovation in funding solutions, but are cautious in recommending an alternative to the current mix of grants, loans and community or business precepts. The experience of the Tubelines PPP, the Metronet PPP and the Tramlink and Docklands PFI schemes, all brought back into TfL control in the last 10 years, is a salutary reminder of the risk of these long term “buy now, pay later” funding options. We do think that there is benefit in revisiting “value capture” or Tax Increment Financing (TIF) type approach (as being used on Nine Elms redevelopment) but again need to see strong evidence that unforeseen impacts on business and economic growth may not occur. If a TIF type funding model was applied to the businesses along the line of the

Crossrail 2 route there is no guarantee all will equally benefit from the scheme or can equally afford to pay for it. Business benefits and economic growth are much more complex to estimate than a simple TIF charge and therefore we will want to be convinced how any alternative to the approach adopted for Crossrail 1 can be more effective and less risky.

5. How have major metropolitan areas in other countries responded to similar challenges and priorities? Are there any lessons to be learned and applied in London?

We have not undertaken sufficient research to respond fully to this question, but recognise the value of learning from the experience of cities around the world in terms of funding and delivering transport infrastructure in many innovative and effective processes. We should also recognise the fast pace of change being achieved in devolved local authorities in the north of England and lessons learnt with the devolved governments of Scotland and Wales.