

**Lancashire County Council Planning Application
Reference: 11/05/1584
Completion of the Heysham to M6 Link**

**Planning Inspectorate Reference:
APP/Q2371/V/07/1200928 &
APP/Q2371/V/07/1200929**

**Proof of evidence:
On Any Other Relevant Matters:
The Regional Funding Allocation process**

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Evidence prepared for:

**The Environmental and Sustainable Transport
Alliance (ESTA)**

Consisting of:

**The Campaign to Protect Rural England (CPRE)
Lancashire Branch and NW Regional Group
Friends of the Earth (FOE) North West
North West Transport Activists Roundtable (NW TAR)
Sustrans
Transport 2000**

4th June 2007

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Appendix A - Highways Agency's RFA pro forma on the A556

Appendix B - NW TAR letter re. RFA to Sec. of State for Transport

Appendix C - Transport Roundtables' submission to DfT consultation on RFAs

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Appendix E - NWRA Regional Transport Group up-date report on RFA

Introduction

- 1.1. My name is Lillian Burns. I am the Convenor of the North West Transport Activists Roundtable (NW TAR), an umbrella body representing groups and individuals who believe in sustainable transport and prudent land use. Regional transport roundtables were established in the late 1990's with pump-priming funding from the Countryside Agency and the blessing of regional government offices under the auspices of Transport 2000. I am the third Convenor and have held the post for the last few years.
- 1.2. I am also a Director of TravelWatch NorthWest (TWNW), the community interest company which has superseded the North West Public Transport Users Forum (NWPTUF) and I represent Voluntary Sector North West (VSNW) on the North West Regional Assembly's Regional Transport Group and on its Regional Planning Group. I have also worked very actively for the Campaign to Protect Rural England (CPRE) at local, sub-regional and regional level for 10 years. Although I am neither a professional transport person, nor a professional planner, I have received training in both. And I have worked alongside the region's professional transport and planning policy people for 10 years as a full-time volunteer, representing CPRE, T2000 and North West Environment Link, having the good fortune to be able to draw on the professional core staff of the organisations I represent and their well-publicised policy positions.
- 1.3. I was a key participant in the recent Examination in Public (EiP) into the draft North West Regional Spatial Strategy (NW RSS), appearing for many of the over-arching 'matters' and also on transport. At different times, I represented North West Environment Link, the North West Transport Roundtable and Town and Parish Councils. (I am also active at the local, sub-regional and regional level for Town and Parish Councils).
- 1.4. In recent times I have lodged a formal objection on behalf of NW TAR to the planning application for the M6-Heysham Link Road and registered a submission in response to Lancaster City Council's LDF Core Strategy consultation in which I have questioned the soundness of Policy CE1, paragraphs 6.18 to 6.24 and all other references to the M6-Heysham Link.
- 1.5. For the purpose of the public inquiry into the completion of the Heysham to M6 Link Road, I am representing an alliance of national, regional and sub-regional environmental organisations which have called themselves the Environmental and Sustainable Transport Alliance (ESTA).
- 1.6. In this proof of evidence I will outline – from the point of view of an informed regional non-governmental organisation (NGO) representative - the puzzling, opaque and rushed Regional Funding Allocation (RFA) process which endorsed the proposed Heysham-M6 Link Road scheme and other transport interventions. I share with the RSS EIP Panel concern about the substantiveness of the RFA evidence base and its apparent over-emphasis on the perceived economic benefits of many schemes.

1.7. During this submission, I will make reference to

- Planning Policy Statement 11 (PPS 11) on Regional Spatial Strategies
- Department for Transport guidance and other DfT material
- The emerging draft North West Regional Spatial Strategy (RSS)
- The Examination in Public Panel Report on the draft NW RSS
- The work of two sets of consultants on regional transport priorities and the Regional Funding Allocations conducted for the North West Regional Assembly and Government Office for the North West

2. Conduct of the transport prioritisation and Regional Funding Allocation processes

2.1 Regional Spatial Strategies (RSSs) incorporate within them Regional Transport Strategies (RTSs). RTSs are required by PPS 11 to identify “*priorities for transport investment*” (Annex B, para. 4 ‘*Main Aims of the Regional Transport Strategy*’, page 58). To this end, the North West Regional Assembly (NWRA) established a Transport Priorities Steering Group and awarded a seat on it to the North West Transport Activists Roundtable (NW TAR) which I took up. JMP Consulting were appointed in Spring 2005 to develop a methodology for determining regional priorities for transport investment and it was heartening as their work evolved to be reassured that equal weighting would be given to economic, social and environmental issues in accordance with national sustainability guidelines and that JMP would include in their deliberations two suggestions which the NW TAR had tabled – networks of quiet lanes and greenways and also a North West Coastal Trail.

2.2 In July 2005 the government issued guidance on preparing advice for Regional Funding Allocations ¹, stating that this was required by the end of January 2006 (para. 1.4). Each region was given indicative spending allocations for transport, housing and economic development. It seemed logical to assume that the prioritisation process already underway would be applied to the RFA in as far as transport was concerned. However, the RFA recommendations which in fact were subsequently launched by Government Office North West (GONW) in January 2006 were the result of a far less transparent process.

2.3 It became apparent to me in Autumn 2005 that a parallel process was underway, led by GONW, who had set up a different and somewhat less inclusive steering group they called the Regional Transport Forum. That body had appointed a separate set of consultants (Atkins) to lead the RFA process. Requests to serve on or attend as an observer meetings of the Regional Transport Forum were declined by the DfT, who were a party to them, and GONW. There was in fact no representation from either a statutory or an NGO environmental body nor any from the voluntary sector.

¹ Regional Funding Allocations-Guidance on preparing Advice, HM Treasury, DTI, DfT, ODPM. Jul.2005

Following expressions of concern not only from NW TAR but also from other bodies about this less than open process, a wider grouping of interested parties (including NW TAR) were subsequently called together (and given the title of 'Project Advisory Group') on two occasions by GONW, but these meeting took place without those present being in possession of all of the facts and without awareness of the thinking of the 'inner' group. GONW also held three open 'stakeholder' sessions at extremely short notice and succeeded in confusing many of those who came along who were not sent pre-briefing papers and who had great difficulty understanding what was going on.

- 2.4 The outcome of all of this confusion was two separate pieces of work. Using one methodology which took into account the region's sustainability framework, 'Action for Sustainability', JMP Consulting produced a list of recommended transport interventions for the next 20 years which were either already under investigation or proposed for investigation and which subsequently became tables 10.2d and 10.2e in Draft NW RSS (pages 48 - 50, inc.) Meanwhile Atkins, working to a different set of criteria and only, as far as can be ascertained, peripherally and latterly taking into account the JMP methodology, produced a list of RFA recommendations covering the next 10 years that was launched by GONW in January 2006 and which subsequently became tables 10.2a, 10.2b and 10.2c in Draft RSS (pages 45 – 47 inc). At the same time they were launched, GONW asked for comments on them within two weeks. I responded on behalf of NW TAR to this request, but to no avail, and am not alone in remaining perplexed as to how the final outcomes were arrived at.

3. Methodology adopted for RFA recommendations

- 3.1. There was a wide variation between the regions in the way they produced their RFA recommendations. The North West opted to take all 'committed' schemes as a given, even though they could have subjected them to their chosen prioritisation methodology (as did some other regions). Also, the North West decided not to include 'optimism bias' in their calculations, even though the Treasury's Green Book requires this 'add on'. Nor did they subject any rail schemes to the appraisal process, although they did footnote an indication of some favoured rail proposals.
- 3.2. It would also appear that the region took very literally the DfT requirement that regions must take into consideration three key factors – deliverability, value for money and affordability. According to information which is now in the public domain, the assessment used gave a total of 50% weighting to these factors, a decision which would undoubtedly favour schemes that were well advanced in their development, regardless of their merits. Of the remaining 50%, half was awarded to perceived economic benefits whilst social impacts and environmental considerations shared the remaining weighting. So, 25% of the total weighting related to projected economic attributes for which no proof was required and only 12.5% weighting each applied to social and environmental benefits/ disbenefits.

3.3 But, even knowing this much about the process - and the facts outlined above are not in dispute - does not explain how judgements were made on the various economic, social and environmental criteria when so little information was required from the promoting authorities and so little time was available during which to make judgements. I offer as Appendix A to this proof a pro forma which was submitted to Atkins consultants by the Highways Agency for this exercise. It is for their scheme the A556 (M6 to M56) Improvement. No appraisal summary table was available and in response to the query 'Has an assessment been made of wider economic benefits?' the Highways Agency respond "not fully quantified". In fact no economic impact appraisal has been conducted for that scheme and none is planned and yet, based on its perceived economic benefits, it was placed in the top quartile of the RFA recommendations. The puzzle remains, therefore, on what evidence basis were judgements made – and by whom? This query applies to all the transport interventions subjected to this RFA process. (NB The HA did add optimism bias to their submitted schemes but this was then removed because most local authority schemes were submitted to the process without it).

3.4 The NW TAR were so concerned by this rushed and inadequate process that they wrote to the Secretary of State for Transport (see Appendix B) and all the Regional Roundtables also responded jointly (and some individually as well) to a DfT consultation on the Regional Funding Allocations. (see Appendix C). An analysis of the responses received was published by the DfT in early June 2007 and it is apparent from that the Regional Roundtables were not alone in their concerns (see Appendix D).

4. The opinion of the RSS EiP Panel

4.1 Amongst those who have expressed disquiet about the outcomes of the North West's transport prioritisation and RFA processes have been the panel of leading planning inspectors who sat in judgement at the Examination in Public (EiP) into the Draft North West Regional Spatial Strategy. Although they were not in a position to recommend that the lists be withdrawn, having in the main been approved by the DfT (although they did not endorse the M6-Heysham Link), the Panel suggested a subtle change to how the lists were introduced. Rather than implying any sort of approval, they suggested a wording which merely announced they were the result of a process. (My colleague, Andy Yuille, covers this point in more detail in his proof on consistency with the development plan). Also, they raised deep concern about the number of road schemes included in the tables.

4.2 The RSS EiP Panel Report states:

"We consider that the RTS objectives should imply an increasing shift away from schemes that increase highway capacity, toward schemes that will secure increased use of the more sustainable modes of transport"
(para. 7.84)

And also:

"...the priorities listed in Policy RT9 make no reference to securing a shift toward more sustainable modes of transport; or reducing the adverse environmental impacts of transport; or improving access; or easing congestion. We consider these to be important factors, which should guide future investment decisions" (para. 7.76)

4.4 The Panel accepted over-arching criticisms put to it that the RSS was *"too closely modelled upon"* the Regional Economic Strategy (para. 2.29), was not sufficiently rooted in sustainability (para. 2.28) and failed to give adequate weight to environmental factors (paras. 4.17-4.20). It further upheld its position on an over-emphasis on economic factors in its comments on the transport prioritisation process. It said:

"7.82 We note that the criteria upon which the prioritisations were based were weighted in favour of economic (rather than social or environmental) factors. We were told that this had little effect on the outcome. Nevertheless, we consider that it ran counter to the principles of sustainable development. We consider it to be highly questionable that an economic criterion, such as 'will the scheme improve the perceived image of the locality?' should have been given twice the weight of an environmental criterion, such as 'will the scheme limit CO2 emissions and support efforts to combat global warming?'"

4.5 And it should be borne in mind that the Panel made some criticisms in their overview of the Draft RSS, describing it as being *"deficient in a number of respects"* (para. 2.3) and advised that *"the draft RSS is not satisfactory as it stands and will not be so even if it is altered according to our recommendations"* (para. 2.5). These are very strong comments. The Panel felt that RSS's failure to give sufficient emphasis to climate change was *"a serious flaw"* (para. 3.43) and went on to recommend that climate change should be embedded throughout the entire document and that the whole RSS be reviewed as early as was practicable. That report is now with government. A modified version of it expected in the Autumn.

5. RFA budget overruns and changing priorities

5.1. Even while the government were still deliberating on the RFA recommendations, the NWRA found it necessary to go back to them – in June 2006 – because of changes that had come to light in scheme costs and deliverability. But since then there have been a number of scheme cost overruns, including on the Heysham to M6 Link Road (see bullet no. six on page two and the table in Appendix E to this proof of evidence – the quarterly RFA up-date report to the North West Regional Assembly's Regional Transport Group).

5.2 As can be deduced from that report, the RFA methodology devised and agreed in the North West did not make provision for cost overruns, unlike

some of the methodologies agreed in other regions. Consequently, a sub-group has now been set up to consider how best to deal with this situation. It is considering a number of possibilities and will report back to the Regional Transport Group after the M6-Heysham Link public inquiry closes. However, what is particularly pertinent is the comment at the end of that report from the NWRA sustainability team flagging up the following:

“Tackling Climate Change has become a more focussed priority for the region following the launch of the North West Climate Change Action Plan and its recognition by the North West Regional European Partnership as a key EU priority area. This occurred subsequent to the region submitting its RFA advice to the Government in 2006”.

6. Conclusions

- 6.1 Although “The Heysham-M6 Link” was endorsed by the RFA process in the North West, this process was conducted in great haste, in secrecy, had peripheral input from the environmental and voluntary sectors, gave undue weight to perceived economic benefits without requiring an evidence base and resulted in outcomes which are questionable and which have been questioned by the NW RSS EiP Panel.
- 6.2 The North West Regional Assembly are currently in the processing of reviewing their advice to government in the light of significant overruns of projected costs on the schemes recommended. These include the M6-Heysham Link Road. It is not impossible that some schemes may drop out of the top quartile of recommendations as a result of this process.
- 6.3 The region’s priorities have altered since the RFA recommendations were originally made to government, on the admission of the Regional Assembly. Climate Change and sustainability have come much higher up the regional agenda. ESTA’s evidence on climate change demonstrates that this scheme undermines that imperative.
- 6.4 This proof has demonstrated that it would be inappropriate for the inquiry into the M6-Heysham Link Road to place much emphasis on the fact that the scheme appears in the North West Regional Funding Allocations list.