

England's Transport Policies and Program systems

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Government responsibility for transportation in England is shared between central government, primarily the Department of Transport (DTp), and local authorities, primarily the 46 county councils. The present county councils were created under local government reorganization in 1974. The counties are the larger units of a two-tier local government system, the smaller units being district councils. The districts have important powers and duties for many local services, but their role in transportation is small.

The DTp is responsible for a number of national transport grants and subsidies, for the railways, and for the construction and maintenance of the 10 060-km major interurban highway network, including most of the motorways. Most other inland transportation programs are the responsibility of the counties, including the construction and maintenance of all other highways (96 percent of the total highway length), traffic management, parking, and local public transport, including buses, the Underground in London, and some surface railways. The details of the arrangements for public transport vary from place to

place, but in general counties are responsible for policy, coordination, and financial support, while operating agencies actually provide the services. The responsibilities of the counties are collectively referred to as "local transport" and it is these that are within the transport policies and program (TPP) system. The DTp's main responsibility for local transport lies in the allocation of resources to counties. Expenditure on local transport accounts for about 55 percent of all transport public expenditure.

Finance of Local Transport

Although the powers and duties of local authorities are prescribed by acts of Parliament, they are autonomous bodies, not agents of central government. Their members are elected and they have a local tax base, which is a property tax known as the rates. Nevertheless, much of their finance comes from central government. Most of this is paid in an unconditional block grant, calculated by formula (which is complicated and changes every year) and not allocated to any particular service.

Much local transport finance comes from the rates or the block grant. In addition there is a transport supplementary grant (TSG), which is paid by the DTp to counties at the rate of about 70 percent on their proposed





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marginal expenditure on local transport above a threshold. Not all types of expenditure are eligible for TSG, but most are. TSG was introduced to provide supplementary support to counties that have high expenditure. In total it represents 20-25 percent of all local transport expenditure, but the figure for individual counties varies from almost nothing upwards. No county has yet received no TSG at all in any year.

The present grant arrangements have superseded a system of specific grants paid at different rates on different types of expenditure, e.g., 75 percent on principal road construction and 50 percent on rural public transport subsidy. The reform of the previous grant system was the most important element in the introduction of the TPP system, and the present grant arrangements are an integral part of the system.

The DTp has the job of allocating TSG to counties each year. To do this, it has to decide how much total eligible expenditure each county should incur. The DTp also has to approve the borrowing of money by counties for large capital projects. Borrowing control was introduced historically to prevent local authorities from borrowing beyond their means. This risk no longer exists, but the control survives and is now used for the completely different purpose of macroeconomic control and, in some fields, for influencing local authority projects.

The TPP Document

In order to enable the DTp to make decisions on TSG and borrowing approval, each county submits each year a

comprehensive document called its Transport Policies and Program. This document has given its name to the whole system, but there is a distinction between the system, which includes the grants and the planning processes, and the document, which is partly a bid by counties for funds and partly a record of counties' plans and policies at a given moment.

The DTp recommends a structure for TPP documents. TPPs should contain a statement of the transport objectives and strategy of the county covering 10-15 years, a detailed 5-year proposed expenditure program to implement the strategy, which is rolled forward annually, and a statement of physical progress, past expenditure, and program changes that result from previous allocations. Counties are advised to consider each of their major urban areas individually and comprehensively. TPP documents typically contain a section for each major urban area and a section for each countywide topic, such as interurban highways, highway maintenance, and rural public transport.

Objectives of the TPP System

To conclude this section (and perhaps to put the horse after the cart), it is worth reproducing the objectives of the TPP system as they were stated in the government circular of August 1973, which outlined the system. The objectives were to

1. Promote the development and execution of comprehensive transport plans by the new county councils and the Greater London Council,
2. Eliminate bias toward capital or current expenditure or toward particular forms of expenditure,
3. Distribute central government grants in a way that reflects as far as possible the needs of individual areas, and
4. Reduce the degree of detailed supervision by central government over individual schemes.

Some of these objectives reflect particular dissatisfactions with the prevailing specific grant system. The second objective mentions the biases that result when different forms of expenditure are grant-aided at different rates, and the fourth mentions the degree of supervision necessary when central government was paying three-quarters of the cost of some schemes. The objectives of general interest are 1 and 3, and these are considered in the next section.

Transport Policy Developments

Since the inception of the TPP system, the environment in which transport policy is made has changed, partly because of external events and partly because the views of policy makers have changed. The external events have been (a) reductions in public expenditure resulting from policies to counter inflation, (b) a reduction in the priority given to transport in relation to other services, and (c) the

sharply deteriorating finances of bus operators, caused particularly by rising labor costs that coincide with fare restraint. The effects have been a dramatic rise in general bus subsidies (fivefold between 1973/74 and 1974/75), which has subsequently been contained but at the higher level, and a drastic fall in capital expenditure on highways (on the order of 50 percent over a five-year period) to a level of perhaps one-third of that expected at the beginning of the 1970s.

Developments within the transport sector itself have been, first, the politicization of transport and the explicit acknowledgment that within transport there are several conflicting objectives (e.g., economic efficiency, social need, the environment) and that the choice between them is a political rather than a technical matter. Secondly, there has been some retreat from the comprehensiveness of the kind characterized by transportation studies that deal in simultaneous analysis of a whole city and all modes. The reasons are that (a) less capital available means that fewer far-reaching changes in the transport infrastructure can be contemplated; (b) the problem of road congestion, which is a major reason for encouraging automobile owners to use public transport, is now felt to be less serious than was feared in the late 1960s and early 1970s, so that there is less need for simultaneous planning; (c) in addition, there is increasing evidence that the potential for intermodal switching is in fact small, because the automobile is so much more convenient than the bus. London is an outstanding exception to such arguments, so it is ironic that this is the one city in Britain in which a vital element in the transport system—the surface railways—is outside the control of the local authority.

The Planning Process in the TPP System

The first objective of the TPP system was to promote comprehensive planning by counties. For reasons given above, TPPs have not developed the concepts of comprehensiveness embodied in the urban transportation studies, although traditional models and analyses continue to be used in many urban areas. However, the TPP system has made transport planning more comprehensive in other ways. First, the planning process has become wider, with thought being given not only to the traditional activities of forecasting and evaluation but also to objectives and problems as reasons for developing policies and projects and, at the other end of the process, to programming within realistic resource constraints. The DTp has suggested a sequence of steps for the development of each section of the TPP, which includes problems, objectives, and indicators. Most counties agree with this sequence in principle, and indeed frequently adopt its form in writing their TPP documents, but many are still dissatisfied with the connection between the problems identified and the projects adopted. Nevertheless, the system has led to the questioning of expenditure that previously might not have been questioned and forces counties to consider priorities and trade-offs within the transport sector each year.

Secondly, the annual production of a single document that covers the whole of transportation is itself an important step toward comprehensiveness. The process provides a focus and an opportunity for many people to contribute who otherwise might not do so. These include county councillors, officers from all relevant departments of the county, districts, public transport operators, and interest groups. When the document has been produced, it becomes an important working document for both internal and external use. Because it is produced annually, it is always relatively up to date. Counties often grumble about the cost of producing TPPs and almost certainly would not take them so seriously without the prospect of the reward of a TSG, but most still find them useful.

Allocation of Resources

The third objective of the system was to enable the DTp to distribute grants so as to reflect the needs of counties. For the calculation of TSG, the DTp has to assess the total expenditure needs for each county. There has been disappointingly little discussion of the possible rationales for this. It is widely agreed that there is no such thing as an objective measure of need; what is regarded as a need in transport, as in other fields, must be politically determined. However, the TPP system has not yet come up with any suggestions for indicators of the comparative transport needs of counties that might even be considered by political decision makers. In the absence of measurements related to transport, the key indicator for determining relative needs has been simply population.

There has also been relatively little discussion of the related and sensitive issue of the extent to which the DTp should allocate resources according to needs indicators, such as population, thus effectively taking no account of the specific proposals in the TPP, and the extent to which it should reward "good" planning processes or "good" policies and projects. The difficulty is that, given that the choice between proposals is a political as well as a technical matter, what may seem good to a county may not seem good to the DTp, and vice versa. Formally, it is the county that should decide what is good, and this is reinforced by the fact that the DTp does not have the power to allocate a grant to any particular proposals but only to the program as a whole. In practice, however, the DTp cannot escape taking a view about all medium and large projects, because they are significant in the allocations and preempt resources for future years. How they do this remains largely undebated.

In the working of the system so far, the decline in the resources available for transport and the preemption of much of what has remained to inescapable commitments on such programs as projects already started, highway maintenance, and bus revenue support have greatly reduced the scope of choices and decisions to be made either by counties or the DTp. The decline has now ceased, and we may now require more development of both planning and allocation processes.