

Response to the Mayor of London's Draft Transport Strategy 2017

2nd October 2017

1. London Chamber of Commerce and Industry (LCCI) is the largest capital-focused business advocacy organisation representing the interests of over 3,000 companies from small and medium-sized enterprises through to large, multi-national corporates. Our member companies operate within a wide range of sectors across all 33 London local authority areas – genuinely reflecting the broad spectrum of London business opinion.
2. As the voice of London business, we seek to promote and enhance the interests of the capital's business community through representations to central government, the Mayor and London Assembly, Parliament and the media, as well as relevant international audiences. Through member surveys and commissioned research, LCCI seeks to inform and shape the debate on key business issues. The transport industry is strongly represented amongst LCCI's membership, with our Transport Committee¹ supporting and advising LCCI's policy work.

INTRODUCTION

3. LCCI welcomes the consultation on the draft Mayor's Transport Strategy. By 2020 the capital is forecast to reach a population of nine million and London will achieve 'megacity' status by 2030 with over ten million citizens. This rapid population expansion will place London's infrastructure – particularly its transport networks - under considerable pressure.
4. Transport in London is about more than just moving people around. Efficient networks maintain economic growth, support jobs and unlock housing development; in short, opportunities for people and for businesses. Sustained investment in infrastructure and a long-term outlook on future need is critical to ensuring that the capital can continue to function, grow and thrive as a megacity of the future.
5. To achieve that end, the strategy must recognise the practical needs of businesses. Efforts to improve the public realm and encourage more private cars off roads to reduce congestion and pollution are welcome, but support must be in place to enable businesses – and SMEs in particular – to adapt to policy and regulatory changes in order to protect jobs and livelihoods.

LCCI Key Proposals

- The Mayor should **appoint a Freight Commissioner** to create and lead a vision for enabling a world-class freight and logistics environment in the capital
- The Mayor should **establish a River Commission** to explore new opportunities on the Thames to move freight and construction material
- An **evaluation of Cycle Superhighways** usage to date should be commissioned to inform deliberations on further development of the central London cycling network
- An economic **assessment of ULEZ extension** impacts on London businesses, particularly SMEs, should be undertaken
- Proposals for **fixed road crossings** at Gallions Reach and at Belvedere should be revisited urgently to maximise growth potential in East London
- Real progress must be made on securing **enhanced fiscal devolution** to the capital to place future transport infrastructure funding on a secure footing

¹ [http://www.londonchamber.co.uk/lcc_public/article.asp?id=1&did=&aid=4656&st=transport committee&oid=](http://www.londonchamber.co.uk/lcc_public/article.asp?id=1&did=&aid=4656&st=transport%20committee&oid=)

HEALTHY STREETS AND HEALTHY PEOPLE

Efficiency of deliveries and servicing

6. Congestion in the capital, and related issues of safety and pollution, are increasingly in the public eye. LCCI fully supports measures to address these important issues, vital to securing the capital's position as a world-class place to live, work and invest. However, it is essential that there is recognition, when considering measures to reduce congestion and improve quality of life, of the economic purpose of journeys and their role sustaining the capital's 24/7 economy.
7. For example, the draft Strategy has rightly identified rising levels of freight traffic as one of the main issues to be tackled by 2041. Freight plays a vital, if not always appreciated role, in our everyday lives. From stocking our high street shelves to supplying the raw materials we need to sustain our growing population, demands on the capital's freight industry have never been higher.
8. Last year, LCCI cautioned against proposals that had appeared for a peak time lorry/HGV ban in the capital. Our campaign 'no ban without a plan'² highlighted the often poorly understood role of freight and the unintended consequences of bans without complementary measures to address the demand that generated those vehicle movements in the first place (e.g. the likelihood that a large number of white vans would replace a smaller number of HGVs at certain times of the day, potentially *adding* to pollution and congestion). By contrast, the collaborative approach advocated in the draft Strategy is welcome.
9. The freight industry, represented within LCCI's membership, is ready to explore different options to achieve a sensible balance between public and commercial needs. This must include efforts to boost consolidation and improve efficiency to reduce the number of unnecessary journeys made into central London. Business is willing to do its bit. A recent poll of London businesses for LCCI found 87% agreed that grouping parcels for companies or buildings would help reduce businesses' impact on congestion, with a similar number believing flexible working hours would make a difference, and over four fifths backing businesses working together on waste collection.
10. LCCI backs ongoing efforts by TfL, in collaboration with businesses in London, to develop best practice standards and support services for those businesses which are able to take steps to reduce their impact on congestion on the capital's roads.
11. LCCI welcomes the recognition within the Strategy of the role of freight and by TfL through its various freight related work streams and forums, through which it has sought business input. Nonetheless, such is the essential role that freight plays in meeting the growing demands of businesses and residents, **LCCI calls on the Mayor of London to appoint a Freight Commissioner at City Hall.**
12. The development of the 'Healthy Streets Approach' by the Walking and Cycling Commissioner underlined the strategic direction that such an appointment can bring. We believe a Freight Commissioner can lead on the recommendations made in the draft Mayor's Transport Strategy and ultimately help deliver a world-class freight and logistics environment in the capital – more important than ever with demand high and London's roads under pressure.
13. Finally, with 90% of all freight in the capital already moved by road³, we need to consider alternative opportunities to move goods and services around the city. LCCI welcomes that TfL will work with Network Rail and the Port of London Authority to move freight off London's streets and onto the rail network and the River Thames. The Thames is an underutilised superhighway which flows through the heart of our capital, and more must be done to maximise its potential.
14. To ensure the Mayor's Transport Strategy delivers on its proposal to move freight off the road and onto the River Thames, **LCCI believes the Mayor should establish a 'River Commission',**

² http://www.londonchamber.co.uk/lcc_public/article.asp?id=0&did=47&aid=7718&st=&oaid=-1

³ TfL *Retiming Deliveries* <https://tfl.gov.uk/info-for/deliveries-in-london/delivering-efficiently/retiming-deliveries> (2015)

bringing together all interested parties, to explore in a coordinated way what further opportunities the Thames can offer in terms of moving freight and construction material.

Cycle Superhighways

15. LCCI supports improving transport infrastructure for road users and cyclists alike. Encouraging a modal shift from the car will contribute to the Mayor's aim of 80 per cent of all journeys being undertaken by public transport, walking or cycling.
16. However, to date, LCCI believes that cycle superhighways have had a mixed impact on London roads. London is constrained by a finite amount of road space, and fully segregated cycle superhighways – particularly during construction - can place unreasonable pressure on an already congested road network through reducing capacity and increasing travel times in central London.
17. ***LCCI would like to see an evaluation of cycle superhighways and an exploration of whether new cycle lanes could be 'semi-segregated' during peak hours***, rather than remaining part of the permanent infrastructure. There must be a full analysis of the current use of cycle superhighways, both in terms of usage and impact on travel times. There should be further consideration of how to better incentivise the use of cycle lanes to reduce instances where riders choose to use the road, rather than the segregated lanes provided.

ULEZ Proposals

18. Air pollution is becoming one of London's biggest challenges and the proposed steps to improve the environment in London are broadly welcome. However, LCCI is concerned that ULEZ proposals must strike the right balance between delivering significant improvements to air quality whilst allowing businesses - particularly SMEs - to adapt to changes within the proposed timeframe.
19. Whilst LCCI does not oppose the introduction of the ULEZ, we are concerned about the potential impact of bringing the introduction of ULEZ forward to 2019 instead of 2020.
20. Bringing the date forward risks not allowing sufficient time for businesses to adapt their operating models and make changes to their fleets. Businesses will have already developed plans to ensure full compliance by 2020, and shifting the goalpost to 2019 has severely disrupted these plans.
21. Widening the zone, be that to the North and South Circular roads (or London-wide) will require thousands of additional businesses to ensure that their fleets are compliant, by 2021. This would bring further regulation for companies operating in, or near, the areas not previously covered.
22. Consideration must be given to the impact proposals might have on the livelihoods of London's army of small businesses. ***LCCI believes City Hall should commission an economic assessment of ULEZ proposals, which can be used to inform and facilitate the transition.***

Powered Two-wheeled Vehicles

23. Increasing numbers of Londoners have chosen to commute to and from their place of work using a powered two-wheeler (PTW) - whether motorcycle, scooter or moped. This is beneficial to London in a number of ways, most notably by taking commuters off overcrowded Underground and Bus services.
24. With most PWT compliant to at least EURO 3 emissions standards, their impact on air quality is minimal compared to other road vehicles in London – and accordingly PTW commuting should be encouraged and supported. Emissions standards compliant PWT should not be subject to any new charge associated with the Ultra Low Emission Zone (ULEZ).
25. ***To ensure that PWT users experience convenient, safe and secure commuting, there are issues that the Mayor must address.***
26. PWT permitted use of Bus lanes has been beneficial in easing congestion and enabling swifter journeys. However, there is inconsistency on permitted lane usage between TfL and Borough

controlled roads. This should be ended. At the same time, with more cyclists now sharing the lanes with PWTs and Buses, safety concerns obviously arise.

27. The growth of PTW commuting has not been followed by an increase in the provision of parking spaces. Central London has inadequate provision of dedicated parking bays for motorcycles and scooters. The Mayor should liaise with central London local authorities to explore how to deliver additional dedicated parking bays.

A GOOD PUBLIC TRANSPORT EXPERIENCE

An Affordable and Reliable Transport Network

28. Worsening affordability and poor reliability (particularly with regard to commuter train services outside of the Underground and Overground network) threaten the capital's position as a world-leading city in which businesses want to set up shop and expand, and where people want to call home. Our research shows that delays, cancellations and overcrowding on commuter train services are one of the top transport issues affecting businesses. According to a recent LCCI poll, over 50 per cent of firms had instances of staff late to work in the previous 12 months due to problems with commuter train services⁴.
29. On top of reliability considerations, the cost of transport in London is one of the biggest problems for business when it comes to recruiting and retaining staff. Over half of London businesses rank addressing transport costs as their top two ways to improve recruitment and 49% see it as a key way to improve retention⁵. The draft Mayor's Transport Strategy correctly identifies the importance of an affordable city. **The 'Hopper' fare has been a welcome innovation, and we look forward to seeing unlimited 'hopper' journeys within an hour as early as possible next year.**
30. If commuters are being asked to pay what is already a considerable sum of money to get to work, they expect to receive the service they are paying for. This is why LCCI called for, and supports efforts to have TfL take over responsibility for suburban train services into London. It makes complete sense to join up our transport network under an integrated management body.

Crossrail 2

31. Key routes on the Tube and National rail network are already unacceptably overcrowded and new capacity is needed to keep up with the capital's growing population.
32. By improving transport connectivity across the capital, Crossrail 2 has the capacity to unlock the development of tens of thousands of new homes. The successful delivery of Crossrail 2 would, consequently, help address twin issues – the housing crisis and the transport capacity crunch which are both impacted by the capital's increasing population and levels of employment.
33. LCCI believes that the Crossrail 2 project should be viewed as an essential component of overall efforts to reach housing targets.
34. Although Crossrail 2 enjoys widespread political support across all levels of government, there remains an impasse on financing which is preventing the project from moving to the next stage of its development. The campaign for Crossrail 1 took over 15 years before the Crossrail Bill was passed in 2008. Looking forward, Crossrail 2 cannot afford to stand still. Ongoing negotiations between the Government, TfL and the Mayor of London have been productive, but a solution to financing the project must be agreed as soon as possible.
35. It is essential that a funding solution is found that allows Transport for London (TfL) to develop the railway's design to underpin efforts to secure the necessary powers to construct the railway by 2033. This is critical not only to addressing anticipated demand pressures, but also to making the new High Speed 2 line – and with it significantly increased passenger volumes making onward journeys on the tube network - viable when it arrives into Euston.

Taxis and Private Hire Vehicles

⁴ ComRes survey for LCCI, June 2014

⁵ ComRes survey for LCCI, July 2017

36. Over the years, there have been fundamental changes in the way Londoners use the transport network. Nowhere is such a shift more evident than the taxi and private hire industry, which has changed considerably since technology impacted the way services can be bought and supplied. A common view has emerged that a 20th century regulatory framework is now not appropriate to administer a rapidly changing 21st century marketplace dominated by technology.
37. The general expectation for London business people using a private hire vehicle is to get from A to B in a safe and timely manner at a reasonable cost. As a result of passenger demand, the number of private hire vehicles on London's roads has increased by over 75% over the previous five years⁶. This increase has created an understandable desire to consider the regulation of the industry, to ensure a consistent quality of service across the sector and fair competition. We know, for example, that businesses overwhelmingly back the view that private hire drivers should be able to speak a reasonable amount of English.
38. LCCI is supportive of proposals to ensure London has a safe, world-class taxi and private hire service. **On the Mayor of London having the power to implement a private hire cap, LCCI believes that it would be appropriate for the Mayor to possess this power.**
39. However, any future implementation of a cap should be underpinned with a robust evidence base demonstrating that private hire contributes significantly, and disproportionately, to congestion on the capital's roads.
40. At the same time, the issue of "cross border" or "cross boundary" hiring needs to be reviewed by Government. Without alteration, giving the Mayor the power to implement a London private hire cap would be undermined if an operator could simply register their drivers in a neighbouring local authority area and then be able to operate inside the capital.

NEW HOMES AND JOBS

Public transport links to airports

41. Extending London's dynamic growth to the outermost boroughs and home counties is essential for the future prosperity of the city. London must have room to grow and the promotion of 'growth corridors' which extend to the city limits and beyond has so far released economic and housing growth potential in areas that stood neglected.
42. Better transport links have a vital role to play in releasing further economic potential and the draft Strategy identifies several opportunities where short term improvements to existing infrastructure can result in considerable economic benefits. This includes rail improvements in South and West London to support growth at Heathrow and Gatwick airport and improvements to the Docklands Light Railway (DLR) to support the expansion of London City Airport.
43. London businesses overwhelmingly want airport expansion and believe it is essential for growth and the city's global competitiveness. LCCI takes a long-term view on growing airport capacity. We have urged expansion at both Heathrow first and then Gatwick, to ensure the UK is prepared to meet global economic challenges over the next 30–50 years.
44. In the short term, LCCI believes that among the ways to boost capacity at Gatwick and Heathrow, enhancements to rail links are important. A new southern rail link to Heathrow and unblocking the Windmill Junction bottleneck as part of the Brighton Mainline upgrade programme for Gatwick makes economic and environmental sense, unlocking capacity and encouraging a modal shift from private vehicles. If there is a proven case that airport expansion will result in significant local growth, then it is incumbent on airports, Government and local authorities to approach this problem together and identify surface access infrastructure improvements and how to fund them.
45. The expansion of the DLR network in East London offers a similar opportunity. London City Airport has been at the heart of the economic regeneration and rejuvenation of East London over the past 25 years. With an ideal location that is close to Canary Wharf and the City, the airport plays an

⁶ TFL Private Hire Licensing Information <https://tfl.gov.uk/info-for/taxis-and-private-hire/licensing/licensing-information> (2017)

essential role in supporting London's inward investment proposition. With its expansion programme, London City Airport will increase take-offs and landings at the airport from 70,000 a year to 111,000 by 2025. It is therefore essential that DLR services are upgraded with new, higher capacity fleets as soon as possible to accommodate demand. Consideration must also be given to delivering an Elizabeth Line station at London City Airport in the near future.

East London River Crossings

46. LCCI believes that new East London river crossings have a vital role to play in securing the capital's competitive future, and has been focussing on the issue for a number of years⁷ through our *Bridge East London* campaign.
47. East London's transformation over the past few decades has been aided by crucial transport investments like the construction of the DLR, the Jubilee Line Extension and London City Airport. However, parts of east and south-east London are still isolated and underdeveloped. Despite the fact that half of London's population lives east of Tower Bridge, there are just two road crossings. Without further, significant investment in transport infrastructure, the East London success story will be at risk.
48. LCCI consequently welcomes in principle the proposals put forward by the Mayor's Transport Strategy for new pedestrian and cycle crossing linking Rotherhithe and Canary Wharf, the Silvertown Tunnel and an extension of public transport to Thamesmead.
49. However, and in relation to the proposals for new river crossings, we note that unlike Silvertown, the other new crossings proposed in the near-term lack a fixed road element, being instead wholly public transport or pedestrian and cycling schemes. This is despite TfL noting in 2016, and following consultation on proposals for new fixed road crossings in East London at Gallions Reach and Belvedere, that "there will always be vital delivery (...) trips that cannot be undertaken by public transport" and that "There will continue to be a need for a (...) road network to cater for such journeys". TfL further noted the 'overwhelming' public support for the crossings, which have been subject to detailed consultation.
50. Over one third of London's population growth over the next decade is forecast to occur in the eastern boroughs of the capital. We have previously highlighted the essential economic role of being able to move goods and services easily around the capital. ***LCCI believes, consequently, that to future proof the East London economy TfL's original proposals for fixed road crossings at Gallions Reach and Belvedere – including a public transport element – should revisited urgently.***

DELIVERING THE VISION

Delivery, funding and powers

51. The Mayor's Transport Strategy is ambitious in scale – and needs to be. By 2041, London's public transport system will need to cater for up to 15 million trips every day.
52. Financing the projects that the capital needs remains a hurdle – with Crossrail 2 being only the latest example. Without a doubt, London can meet the transport and infrastructure challenges it faces, but only if empowered to do so. LCCI supports a bold strategy of fiscal devolution for London, one that would maximise local growth incentives and support transport infrastructure.
53. In March a Memorandum of Understanding (MoU) on the next stage of devolution to the Greater London Authority (GLA) and London boroughs was published which contains a series of commitments by government, including to pilot a Development Rights Auction Model (DRAM) on a major infrastructure project in London. The MoU is positive, and consistent with the principles and ideas set out in the final report of the London Finance Commission which contained a series of practical steps to deliver fiscal devolution to the capital.
54. **LCCI support proposals to pilot a Development Rights Auction Model (DRAM) on a major transport infrastructure project in London, and urge that this pilot be undertaken as quickly as possible.** Moreover, it must only be a start. As highlighted by the most recent report of the

⁷ http://www.londonchamber.co.uk/lcc_public/article.asp?aid=6524

London Finance Commission, having access to a range of revenues (matched by a reduction in central government grant) would enable London to focus on those schemes that are likely to deliver growth and fiscal revenues. These revenues could include a percentage of Londoners' income tax yield – broadly to match its overall expenditure, as and when further devolution occurs - a proportion of London businesses' VAT yield and the full suite of property taxes (including the operation and setting of council tax and business rates and the devolution of stamp duty).

55. Crossrail 2 is perfect example of why a better way of funding local projects is needed, as it would help to guard against the unhelpful narrative that has developed in some quarters that characterises infrastructure spend as a 'zero-sum' game of London versus other regions and cities across the country. Ensuring a broad base of different revenues is devolved, from different sources, is also essential to preventing businesses being used as a 'cash cow' through an overreliance on (largely business related) fiscal levers already available to local government, e.g. business rates supplements and other levies.

CONCLUSION

56. The quality of London's transport infrastructure is intrinsically linked to the city's status as a world-leading, truly global powerhouse. For London to rise to the challenges ahead of 2041, it must have a long-term plan on how the city will cope with – and benefit from – its 10 million people and more. The Mayor's Transport Strategy is critical within a wider framework for growth and future prosperity.
57. In our submission, LCCI has placed an emphasis on further fiscal devolution to ensure London has the financial freedom to deliver the future infrastructure it needs. Ahead of a capacity crunch on our roads, we have pushed for a plan that prioritises all road users and recognises the essential economic role that the movement of people and goods plays in our everyday lives – be it through a pragmatic implementation of ULEZ reforms or additional road crossings in East London. And as the capital heads towards 'megacity' status (and Brexit), we have called for vital infrastructure projects such as Crossrail 2, and extra capacity at our airports, to be realised.
58. LCCI would be happy to clarify or provide further comment on any matter raised within this response.
59. Please contact:

Tom Evans
Policy Manager
33 Queen Street
London EC4R 1AP
tevens@londonchamber.co.uk
020 7203 1883