**Friday 7 December 2018**

**10.00-14.00, KMPG, Bristol**

**NOTE OF EVENT**

Event Chair **Gerard Whelan, Director of Corporate Finance, Government and Infrastructure at KMPG** opened by welcoming panellists and stating that KPMG were delighted to be hosting. Gerard said that guests attending the event were there because *“we all care about the communities that we live in, and we want those communities to thrive.*” He added that at times we do not always get the balance right between investment in housing and investment in transport, and the longer-term planning decisions are not always made in the right way. Gerard said that these events were about identifying barriers but most importantly working collaboratively to identify potential solutions. He then introduced **Claire Haigh, Executive Director of Transport Knowledge Hub.**

**Claire** opened by welcoming guests and thanked KMPG for hosting. She said that this was one of a series of TKH events looking at the role of sustainable transport in the planning and delivery of new housing. Claire said we are dealing with a multiplicity of issues, and it is vital that we make the right investments to deliver the right outcomes. Claire added that the hub is a forum for sharing ideas, discussing best practice and reflecting on major challenges facing the country, of which housing is constantly top of the list. Claire stated that the KMPG research has found that investment in sustainable transport will be key to the delivery of new housing and that it was absolutely crucial that these new homes are served by sustainable modes of transport. Claire said that sustainable transport is essential to unlocking growth, most notably investment in buses can bring about £8 worth in every one pound that is spent.

**Chair Gerard Whelan** then invited **Marvin Rees, Mayor of Bristol** to deliver a keynote speech.

**Marvin Rees** opened by thanking the Transport Knowledge Hub and KPMG for hosting. He said that he once worked on a community cohesion strategy which was held to highlight ways to prevent violent extremism. He indicated that the number one issue for some people involved was about transport and the lack of connectivity in the city of Bristol. He said this demonstrated to him that transport was critical for the societal cohesion.

The Mayor added that Bristol City Council ran a session about economic inclusion, in which they discussed how they can ensure the growth of the economy includes all people in society. He said that transport is essential to the social outcomes that they want to achieve and to build a cohesive city. He said transport keeps “*the cogs of the city moving”*, and it was not just about people moving around but also about moving things to people – for example, providing workplaces near residential areas for flexible working.

Alluding to the current challenges that Bristol faces, Marvin said they were congestion, growth of the city and a housing crisis. In terms of congestion, he said that it costs the council £44 million a year in lost productivity. He added that the city grew 11.6% higher than the national average and this would have an impact on infrastructure. In terms of the of the housing crisis, Marvin said they currently have 11,500 on the waiting list, homeless families in temporary accommodation and a lot of pressure on housing stock. He said to address these challenges it was important to plan 20 to 30 years ahead, and thanked KPMG for their support of the Bristol One City Plan.

Marvin said he always treads carefully when discussing transport and that there were several components to consider. He said that it was important to ensure that the transport system is genuinely connected with walking, cycling and taxis routes. He added that in Newhaven, buses have cycle ranks attached to the front to encourage sustainable transport, and that this was a good way to encourage active travel for the sake of sustainability and air quality. In terms of social mobility, he said that it was important that active travel can reach those more disadvantaged communities and make sure that opportunity is also there for them.

Marvin then went on to talk about bus prioritisation and thanked fellow panellist James Freeman for the work he was doing with buses in the city. He said he wanted to make buses more viable, and that it was important to get the park-and-ride in place first, before bringing in more buses. He added that the council is working proactively with taxis in the city, as they are an important part of the transport system and it was important that they were not put out of business. Marvin said that the urban rail network was of long-term importance, but the immediate benefit was to be had through investment in buses.

Marvin moved on to talk about the disconnect between national and local government, adding that there needed to be better communication between national and local government.

Marvin then set out what is being done in Bristol for transport. He said they were undertaking a feasibility study on a mass transit system and exploring the possibility of an underground service in Bristol. He summarised by saying that Bristol is a gateway city with phenomenal connectivity which they must take advantage of.

**Chair Gerard Whelan** thanked Marvin and commented that the sheer ambition for Bristol is fantastic. He then invited questions from panellists.

**Derek Robbins, Bournemouth University,** asked whether a river bus would be possible for the city of Bristol?

Responding, Marvin Rees said that they needed to take advantage of Western Harbour, and more ferries would be beneficial, but that they needed to go a bit faster.

**Stephen Hill, Dorset Councils Partnership,** said that a 2017 social mobility report highlighted that Portland was the most inaccessible place in the city. He asked what the link was between transport and social mobility, and how can transport links improve social mobility.

**Marvin Rees** said that it would be difficult for him to talk about the specific example of Portland, but said that his experience of growing up in Bristol was that there was poor connectivity. He added that he had the opportunities to get outside of the city boundaries, but some of his friends never did and that had implications on a world that they thought was accessible. He concluded that connectivity was essential for social mobility. He said that in outer town estates in Bristol there are young people who have never been to the city centre and it has implications which leads to detachment and can drive people to populist politics. Marvin added that a failing transport system will cost public money.

**Chair Gerard Whelan** commented that social mobility was important when thinking about new developments and connectivity.

**Peter Radford, Turner and Townsend** commented that the government are looking to engage more with subnational transport bodies and said that they are slightly behind the curve in the South West. He asked the Mayor if he had any comments on that?

Responding, Marvin said that he is very frustrated by the lack of action from national government on this. He said that the government needs to do more. He admitted that effort was needed from both national and local government, but that national government needed to be reminded that it was not a one-way relationship. Marvin questioned the concept of devolution, arguing that it is a problematic concept. He said that the reason for this was because money often goes to grassroots organisations, which means the bypassing of local government and the lack of investment in the capacity of local leadership.

**Jon Usher, Sustrans,** asked how the UK is going to tackle the issue of climate change, and how Bristol is going to deal with the delivery lag to overcome the 2030 climate change challenge.

Responding, **Marvin Rees** said that they have ambitions to deliver Bristol’s 2030 environment challenge. He warned that it was important that environmental organisations stopped weaponising environmental challenges and recognised that the challenge was more than a single issue.

He added that he had some frustrations with the statement of Bristol becoming carbon neutral by 2030, chief amongst these was the call for more political will to reduce the carbon footprint. He said that we need to be realistic about how to meet the 2030 target by working together, and added that being Mayor of Bristol was not a commander in chief position. He said that it was important to bring together all stakeholders to discuss how to achieve ambitions.

**Chair Gerard Whelan** then thanked **Marvin** for the keynote speech.

He then introduced **Chelsea Dosad, Associate Director in Deal Advisory, Government and Infrastructure at KMPG** who delivered a presentation on KMPG’s emerging findings into sustainable transport and new housing. Speaking about the importance of the link between sustainable transport and new housing, Chelsea said that given the constrained fiscal environment that exists in the UK at the moment, there is a real need to maximise the economic returns of current funding, as well as identify new ways of increasing overall levels of investment. Chelsea said that the integration of housing and transport was so important because it increases affordability, enables greater density and more efficient planning, provides connected, inclusive and prosperous communities with increased economic activity, and reduces congestion on the road and car dependency. Chelsea said that there is evidence which has shown that the integration of transport and housing is not happening as much as it should do. Chelsea said that this was how KMPG’s research came about: trying to identify the practical barriers that were preventing this integration and simultaneously putting forward solutions and then recommendations that the government can take forward. Chelsea said that KMPG had consulted with a variety of different stakeholders, including central and local government, transport operators, private developers, think-tanks and industry bodies and had identified the following barriers to the integration of housing and transport:

* Lack of committed, long term funding for local authorities discourages strategic infrastructure planning, which leads to short-termism. Chelsea said that the government’s new city deal and devolution agenda was a step in the right direction in terms of delivering integrated transport and housing as it took a more holistic, longer-term approach to funding.
* Current developer contribution mechanisms are insufficient to fund sustainable transport.
* Local authority teams responsible for housing and transport often have been siloed in the decision-making processes, and having these teams separated means that there are often gaps in decision-making, as well as tensions between the planning and transport authority.
* Increasing pressures on local government resource funding results in limited capacity to plan strategically.
* Appraisers often do not have the strategic context to capture the holistic benefits of new housing together with sustainable transport.
* National Planning Policy Framework does not go far enough to promote effective planning for sustainable transport alongside new housing. As a result sustainable transport is often deprioritised in relation to other development mitigations due to the lack of definitive support that the NPPF provides to local planners. The Government’s forthcoming National Planning Policy Guidance presents a real opportunity to clarify the importance of sustainable transport in the plan-making process.
* Sustainable transport is not typically prioritised in development plans that come forward from the private sector.
* The designs and patterns of new housing development lead to unviable sustainable transport services.

Chelsea went on to say that the next step for KMPG was to explore these barriers in more detail, develop potential solutions to these barriers and then identify the potential roles for local government, central government and industry to take them forward. Chelsea said that these were only emerging findings and that she was interested to know the audience’s thoughts in case the research had missed anything important.

Chair **Gerard Whelan** then opened the floor to questions from the audience.

**Nick Small, Stagecoach** said that the KPMG had captured the complexity of the issues very well. He said that it would be useful if there was more of a perspective from the planning and development sectors, adding that the planning system is not focused on locations and how to achieve greater connectivity for people.

He added that logistics and distribution parks are a big part of the need for greater attention on transport connectivity within the planning system. Nick said that logistic parks do not provision for public transport which creates congestions as workers usually have to access the sites by car.

Nick added that changing behaviour through design needed to be more sophisticated. He said that minimum densities and parking levies are part of the problem, and that busses cannot get to some minimum density developments because the roads are too narrow.

Responding, **Chelsea Dosad** said that the research does not make suggestions to mandate anything, and that there were a lot of nuances within the initial findings. Addressing the issue of greater connectivity, Chelsea said there is open question about local transport plans which do not have equivalent status to Local Plans. She said there is a question about what the role of transport plans should be moving forward.

**Chair Gerard Whelan** asked Nick Small how he attempts to achieve more meaningful engagement with local planners and local authorities.

**Nick Small** said it was incredibly hard work. Explaining the reason for this, Nick said that non-statutory areas like local transport have been decimated by local government cuts, meaning there are not enough transport professionals working at local authorities.

Nick added that he is engaged with the developer community and says that there is creativity to find meaningful solutions. He said It was important that operators engaged early doors with developers and local planners. Nick said that the bus industry has traditionally relied on local government to come up with a vision for the future, but there is longer the resource there to support this. He explained that bus operator margins are not good enough to re-create this resource.

**Audience member** alluded to the appraisals process, and asked how local authorities can better evidence the need for sustainable transport, as they currently could only appraise car based developments.

**Chelsea Dosad** argued that this was partly true, but that there were ways you can evaluate a non-car trip. She qualified this by saying that it doesn’t capture the full benefits of sustainable transport such as people’s health and society.

**Byrony Chetwode, TWSW,** said that Travel Watch South West do a lot of communications work for operators and said that they have to rely on commercial contracts which mostly affects rail, which makes it difficult to feed in to a wider structure. Byrony said that there was a lack of fluidity between DfT and what is going on at a local level.

**Gerard Whelan** then thanked Chelsea and invited panellists to speak.

First to speak was **Sir Peter Hendy, Chairman of Network Rail,** who opened by congratulating Claire and the Transport Knowledge Hub for being a great space to share best practice and knowledge across the U.K. He explained his role as the Chair of the London Legacy Development Corporation. Sir Peter said that it is largely accepted that transport is a means to an end, which he says resonates more in the Treasury rather than with independent government departments.

He said when you are discussing transport and what it can do for the community, jobs and housing, then it becomes very relevant to talk about the structures that will deliver this. Citing the example of London, Sir Peter said that people often look at London with envy due to the amount of money that they get given. He added that this was not the right thing to be envied, but rather London had been successful because of the structures of the Mayoralty.

He said that the Mayor of London is required to have a Spatial Development Plan in addition to the London Plan, and is also obliged to have a transport strategy. Sir Peter said that it was this structure that has enabled London’s success. He added that if you set out a spatial plan and a house plan, and then underpin this with how you are going to achieve connectivity, then you are far more likely to get funding and have success.

Building on this point further, Sir Peter said that the success of London had nothing to do with the politics of the Mayor, explaining that Boris Johnson, Ken Livingston and Sadiq Khan’s approach to transport and housing have followed the same structure. He said London’s transport strategies have been so successful because they are connected to a spatial and economic development plan. Sir Peter this approach will make it far easier to get funding to then implement the plans.

Sir Peter said that the Treasury put emphasis on economic growth and there was a need for a wider economic benefit appraisal. He said that the government have recognised this, alluding to the fact that Mayor Tim Bowles had been given £70 million to spend on transport and skills, and will be able to spend that money to create economic growth and jobs in a way which local authorities cannot do without collaboration.

Sir Peter added that many people said that the Olympics was a special case, but he argued that it was about concentrating on the connectivity of Stratford to create homes, jobs and growth. He made clear that this is not just a London issue, that it was also taking place in Bristol and elsewhere too. Sir Peter said that Mayor Marvin Rees has a huge ambition for housing and economic growth, and Mayor Tim Bowles has the money, whilst other bodies such as the University of Bristol have ambitions to build a new campus. Sir Peter said that this would be a very successful demonstration of different bodies working together to deliver a successful strategy.

Moving on to talk about the structure of government departments, Sir Peter said that in many ways they are less joined up than some local authorities. He added that this needed to change, and that Secretary of States of relevant departments needed to come together to create economic growth.

Chair **Gerard Whelan** thanked Sir Peter and then asked **James Freeman** to speak.

**James Freeman, Managing Director, First Group West of England,** opened by saying he was a stand in for Giles Fernley, and sent apologies on his behalf. He said that he ran local services in the West of England where they had 90 million passenger journeys a year. He then spoke about the success that First Group have had in the West of England, saying they had seen bus use increase by 45 per cent since 2013.

James said that in the UK, we do not spend public money on public transport operations and we expect users to pay. He said that it was therefore important that public transport is efficient and that it is attractive to people. He added that during his time working in the sector, he has seen several S106 agreements which have been poor attempts to make bus companies do something that they cannot viably do.

In terms of bus networks supporting new developments, James said he once had to deal with a new development which was designed to be bus friendly, but despite this it was impossible to get a bus near it. He said it was essential to build bus networks in to developments with a high concentration of people as this is how you get lots of service and a sustained network.

Moving the conversation on, James said that Metro Bus is a service that everyone loves to hate in the area. He said since it started its operation, there are modern bus services which are always busy which is fantastic. He said it has been difficult to sustain, as in October the same journey was taking 1 35 minutes as opposed to around 30 minutes. He said it was important to sustain bus services, so that they work over a longer period in a way which is practical and actually delivers.

**Chair Gerard Whelan** thanked James and congratulated him on his bus patronage numbers over the year. He then invited **Paul Crawford, Chair, Homes for the South West,** to address delegates.

Paul opened by saying that he is unashamedly going to focus on housing growth and affordable housing. He said the good news is that there is a target of 300,000 homes a year by 2025, and that we need to meet at least that number at a minimum to keep pace with demand. He added that housing is the number one domestic policy challenge. He said it was a positive thing that the government has started to support housing investment at scale. He added that it was also encouraging that the government is now promising longer and more strategic funding for housebuilding.

He said the challenge was that they are not currently building the homes to meet the ambitious 300,000 a year target. Paul indicated that now the country is only building just over 200,00 a year. He added that in the South West they currently needed 42,000 to 45,000 homes a year, but that recent estimates suggest that they are currently only building around 20,000 a year.

Paul said that the University of Bristol has recently carried out research looking in to the types of homes being delivered, and said that it demonstrated that building the right type of homes is what gives you sustainable growth. He said that the average house price in the South West was £214,000 and that you needed a significant salary to get on the housing ladder. He said it was therefore vital to get a fair share of affordable housing when addressing the housing challenge.

He then moved on to discuss other challenges that the South West are confronted with when developing new homes. He said that it was fundamental to look at new settlement location, and ensuring that the right infrastructure is in place when thinking about how existing developments can be sustained and how new developments can grow. James said that it was good to see local authorities and combined authorities looking at long term strategic planning, but he said they are still faced with the issue of a lack of funding.

Paul then spoke about what had been achieved recently across the South West. He said that Shefford was a good example, they have delivered 5,500 homes to support the extension of Plymouth, ensuring connectivity to the A38 and created a number of new jobs. Paul then mentioned the Exeter and East Devon growth point, which had a vision to deliver 20,000 new homes by 2026 which would be supported by new infrastructure.

Paul also cited the example of Cranbrook, arguing that this was more challenging as it currently had over 15,000 objections. He said that this highlighted the importance of civic leadership to ensure that new developments are delivered. Paul added that money is not the challenge but rather the vision to deliver the new homes in a sustainable way.

The next panellist to speak was, **Jenny Raggett, Project Lead, Transport for New Homes.** She opened by explaining the research undertaken by Transport for New Homes, and said they had travelled the breadth of the country to see whether sustainable developments were being delivered on the ground.

She said that they visited the developments 22 large scale housing developments, using public transport and active travel to get, and examined these areas in terms of lifestyles.

Jenny explained that the research was divided up in to three themes. The first of these was regarding car base living. She said that they were amazed at how car based new developments they visited were, and said that the locations that had been chosen for large scale housing developments were by their very nature not places are easily served by public transport and active travel.

She added that they had noticed that a lot of the places that were visited were dormitory and there were not many people to speak to. Jenny said that the diagnosis of Transport for New Homes was that they developments were simply in the wrong locations.

Speaking specifically about the South West, Jenny said that she had been looking at the Local Plans for Bristol and the wider South West and examined strategic sites for housing. She said that immediately you can see that the same mistakes are being made again. Jenny then listed a number of these sites, adding that when you plot these on to a map you see that current plans are to build in a dispersed fashion which is the wrong model for public transport.

Jenny said that an incredible domination of the car, a lot of the places that they visited were not actually designed in an aesthetically pleasing way. She added that they had been built with an emphasis on built environment and not the green environment.

Jenny said that in terms of buses, the closer the development was to an existing settlement area, the better the bus services were. She closed by saying that if you want to have a development in the middle of nowhere, there will be fewer viable alternatives of public transport available to people.

**Chair Gerard Whelan** thanked the panellists and said that several core themes had come up, including funding, planning, providing incentives to get market-based solutions and the role of communication to get the message out to a wider audience. Gerard then invited questions from the audience.

**Nina Howe, Transport Focus** said that today’s discussion has understandably had a focus on policy, delivery and process. She said it was important to think about people too when discussing solutions. She said we needed to examine what it is that people find attractive in a transport network and what are the barriers. Nina said that Transport Focus talk to people who uses buses and trains regularly, and the common themes that come out of conversations is that some buses does not go where they need to go, congestion issues, and costs. She said it was important that these new infrastructures provide services that people want to use.

**Chair Gerard Whelan** asked Paul Crawford what it is that people would want from new housing developments.

Responding, Cllr Paul Crawford said that transport is one of the number one issues for his customers. He said that we needed to make sure that homes were in the right location and that the connectivity was in place to connect new homes to jobs and services. He reaffirmed that civic leadership would be important.

**James Freeman** said the number of people who come to live in this part of England is substantial. He added that he found that politicians find it difficult to make decisions and shy away from the important decisions that need to be made. He said nobody wants 5,000 new homes next to them, but it was important that politicians made those difficult decisions.

**Kirsten Saguil, KPMG** stated that a majority of revenue comes from buses revenue. She said that bus users are not only beneficiaries of sustainable transport but that developers also benefit from it too. She asked for thoughts on how S106, CIL and other funding agreements could be made more efficiently.

Responding, **James Freeman** said that unlocking land value is a way to unlock investment, but said that in the bus world it does not always work. He added that it came down to the need for good quality comprehensive plans that everybody buys in to.

**Sir Peter Hendy** agreed with James, and said that talking about fixed infrastructure increases the chances of creating mechanisms to create value. He added that the struggle is much harder in provincial England as these schemes are harder to justify and nobody wants to provide subsidies in to urban bus services.

Sir Peter said that he did not see commercial fares as a barrier to growth of public transport. He added that putting fares up is not a bad thing to do, as people are more concerned with frequency and reliability.

Moving on to talk about the issues of new developments, Sir Peter said that the weakness of piecemeal developments is that it is usually in the wrong location. He mentioned a small development of houses in Wolverton, and he asked the audience why on earth it was there and who want to live there. He said that you needed to create houses in places where there is connectivity already. He concluded by saying that politicians must be prepared to deliver development in the right places.

**Jenny Raggett** then entered the arena and laid down a marker. She said if you go to Local Plan inquiries and sit around the table with a planning inspectorate, you will see that what they are after is assurances that the local authority will deliver. She added that these targets are not composed with the capacity of a place in terms of sustainable transport. Jenny said that it is often the case that local authorities have no choice but to allocate very large area of green field land because of the system that they are dictated by.

Speaking of potential solutions, Jenny said that it would be beneficial to turn the system on its head and select developments on the basis of whether they would facilitate new public transport infrastructure. She added that Local Plans need to be amalgamated at a strategic level (a single housing market area rather than a local authority area).

Weighing in to this, **Sir Peter Hendy** said that the London Mayor had powers to do things for London as a whole whereas tiered government outside of London is more fragmented and weak.

**Ian Oliver, Highways England,** commented that the housing growth fund has enabled them to unlock development of 36,000 homes near the strategic road network with access bridges and junctions in place. He added that there is a desirability of multi-modal transport and that Highways England wanted to encourage all different types of transport.

A **delegate** said that interregional rail links require improvements to rail infrastructure. He asked how the panel thought the proposed new homes in Newhaven would facilitate this.

**Sir Peter Hendy** said that the Keith Williams rail review recognised that the enhancement pipeline needs to be straightened out into something that better reflects the economic business case. He said that the total amount of money that has been spent on enhancement in recent years has been significant.

**Dr Ian Harrison, Heart of the South West LEP,** said that he was involved in the planning of Sherford and Cranbrook and gave a cautionary note that this sort of mechanism as a way of tackling the housing crisis isn’t always the right one. He said they were planned in 1990s, but the delivery times for new communities is significant and infrastructure costs are high. He added that that there were also significant opposition to these proposals.

Ian said that it was essential to achieve more joined up thinking and integrated planning to achieve sustainable developments.

**Sir Peter Hendy** said that Network Rail has made it extraordinarily difficult to do things on the railway without a lot of money, and they also want to protect the existing rail way. He said that if local authorities want to be build new rail ways they will soon discover it costs a lot of money, and that it might make more sense for them to deliver it rather than Network Rail.

Sir Peter added that the nature of the railways has changed in the last 50 years, and that it was getting fuller by the year. He said that we needed to decide what it was that rail was actually for and ensure that bus services are also thought about in this process.

**Chair Gerard Whelan** asked a question of there was one thing that you would like to see happen to deliver more housing integrated with transport networks, what that would be.

**Paul Crawford** commented that he would like to see a joint strategic spatial plan for the West of England as it is a really good model for success. **James Freeman** said that it was important to keep building towns and encouraging people to develop sites within existing urban areas where there is good transport infrastructure in place. **Jenny Raggett** agreed with James, and said we needed to be much clearer about policy objectives. She said if we want a modal shift, we need real investment in public transport and active travel.

**Sir Peter Hendy** said he would want more regional government. He said many of the authorities are too small and focused on getting votes by encouraging nimbyism. Sir Peter said that across the country what’s being delivered by regional mayors of which London is a brilliant model to be replicated.

**Chair Gerard Whelan** then thanked panellists and brought the event to a close.

**END OF NOTE**