

Other changes would be required for the reforms to be successful. These include:

- Giving Local Areas more resources for planning and the power to capture and retain the revenue funding needed to support fully the costs associated with plan-making and development management.
- Enabling Local Areas to capture a greater share of the increased land value resulting from changes in the use of land and public investment in high-quality, strategic sustainable transport, to increase the overall level of investment in sustainable transport.

3 Local Areas and transport providers should work together more closely to deliver sustainable transport solutions for new housing

Practical improvements are needed in the design and delivery of sustainable transport solutions to local communities. The design of new housing developments are early and important considerations that can be “make or break” for the provision of sustainable transport.

Simple design principles, such as the provision of footpaths to bus stops, are not, however, routinely considered in the development of new housing sites. New developments are often not strategically located to encourage the use of sustainable transport.

Devolved budgets and enhanced revenue-raising powers would strengthen Local Areas’ ability to pursue more innovative funding or pump-priming of private sector solutions.

- Local Areas should engage more closely with transport providers at the design stages of new developments, to ensure sustainable transport provision is designed -in from the outset and supports the introduction of public transport services.
- Local Areas and transport providers should work more collaboratively to deliver innovative and cost-effective sustainable transport solutions for new housing, such as digitalisation of information and payment systems, and new forms of demand-responsive transport.

KEY THEMES

1. Government should make a clear commitment to promote sustainable transport as a means of realising the economic, social and environmental benefits of new housing.
2. Government should enable Local Areas to invest and plan for local transport and housing on a more strategic basis.
3. Local Areas and transport providers should work together more closely to deliver sustainable transport solutions for new housing.

ABOUT THE TRANSPORT KNOWLEDGE HUB

The Transport Knowledge Hub is a free online resource which gives Local Enterprise Partnerships (LEPs), local authorities and other local decision-makers tools and information to make transport investment decisions that facilitate inclusive and sustainable local economic growth.

Functioning as an online community, it offers best practice guidance relating to the selection, development and delivery of transport investments, as well as best practice case studies. Through open and proactive engagement, the Hub can help local stakeholders discuss the merits of projects and learn from case studies of investment across the country. The aim is for the Hub to promote effective decision-making which unlocks benefits for communities, and delivers more sustainable and inclusive economic growth.

You can join the community by following the Transport Knowledge Hub on Twitter and LinkedIn, and joining the LinkedIn group. You can also sign up for weekly roundups of all the latest transport news and a monthly newsletter keeping you informed about the latest updates from the Transport Knowledge Hub.



The Transport Knowledge Hub

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Integrating the planning and delivery of sustainable transport with new housing development, a report commissioned by Greener Journeys for Transport Knowledge Hub is available online at <https://tinyurl.com/y2nz56fs>

ENDNOTES

1. KPMG, February 2019, Integrating the planning and delivery of sustainable transport with new housing development – A report commissioned by Greener Journeys for Transport Knowledge Hub
2. Ministry of Housing, Communities and Local Government, 2017, Fixing our broken housing market
3. Department for Business, Energy and Industrial Strategy, 2017, Industrial Strategy: building a Britain fit for the future
4. Whitehead, C. and Gordon, I., LSE, 2016, Why Else Is Density Important?, LSE Research
5. KPMG, May 2018, Sustainable Transport: The key to unlocking the benefits of new housing
6. Department for Business, Energy and Industrial Strategy, 2018, The Clean Growth Strategy: Leading the way to a low carbon future
7. RTPI, 2018, Settlement Patterns, Urban Form & Sustainability
8. University of Leeds ITS, August 2016, A study of the value of local bus services to society
9. KPMG, July 2017, The true value of local bus services
10. A Local Government or Local Area is defined as a Local Authority area with some transport and/or development planning powers as well as Local Enterprise Partnership areas.



Making the most from investment in new housing

Integrated sustainable transport and new housing, when planned and delivered correctly, can deliver many benefits to people and places. However, new housing in England is often criticised for being car-dependent, isolated and sprawling.

The study by KPMG¹, *Integrating the planning and delivery of sustainable transport with new housing development*, commissioned by Greener Journeys for the Transport Knowledge Hub, aimed to:

- understand why sustainable transport and new housing are not as integrated as they could be;
- identify a range of solutions that could help to overcome these barriers and present practical proposals that could be considered by local government, central government and the private sector.

POTENTIAL BENEFITS OF INTEGRATING SUSTAINABLE TRANSPORT AND NEW HOUSING DEVELOPMENT

Sustainable transport provides a practical means of delivering many of the Government's policy priorities when successfully integrated with the construction of new homes.

Increasing England's rates of house building.

It is widely acknowledged that we face a national housing crisis, driven partly by an imbalance in demand and supply. The Government has set a target to build 300,000 homes per year from now to the mid-2020s. Higher density housing in places well served by public transport has been identified as part of the solution².

Planning housing and sustainable transport together can support increased levels of housing delivery by making it easier to identify sites for new development. The provision of sustainable transport with new housing can also facilitate higher density development.

Improving UK productivity. Since the global financial crisis, UK annual productivity growth has lagged behind that of the country's global competitors³. The Government's Industrial Strategy aims to increase the productivity and earning power of people throughout the UK.

London School of Economics research shows that the location and density of new housing can help to drive stronger economic performance, especially when they are integrated with sustainable transport⁴. When both housing supply and good connections between transport modes give people better access to jobs, productivity is improved. On average, a 20% increase in population within a locally bounded area will lead to a 1% increase in productivity within that same area.

Recent research for Greener Journeys also shows that such integrated development improves connections between homes and jobs through sustainable transport infrastructure and enables stronger job growth and productivity performance. Developments located in well-connected areas, with higher levels of accessibility, can generate up to 50% more positive economic impacts than development with lower levels of accessibility. These potential benefits can be eroded by between 8% and 12% due to the congestion effects associated with the increased resident population and broader economic activity it supports. Significant investment in sustainable transport is part of the solution.⁵

Promoting clean and inclusive growth. The Government's *Clean Growth Strategy*⁶ aims to cut UK emissions and improve air quality. In transport, one of the identified solutions is to encourage sustainable alternatives to car use.

Sustainable transport enables population centres to grow, without overloading existing transport infrastructure or causing adverse environmental impacts. Royal Town Planning Institute research has found that improvements in connectivity, through better transport provision, greater density or both, play a critical role in reducing transport emissions, enhancing social inclusion and fostering more cohesive communities.⁷

These findings echoed research for Greener Journeys showing that a 10% improvement in connectivity (by local bus services) is associated with a 3.6% reduction in economic, social and environmental deprivation as measured by the Ministry of Housing, Communities and Local Government's Index of Multiple Deprivation (IMD).⁸ Investment in sustainable transport also delivers excellent returns: every £1 invested in local bus infrastructure can deliver £8 in wider social, economic and environmental benefits.⁹

BARRIERS TO INTEGRATION

Despite these potential benefits, most new housing sites in England still fail to integrate sustainable transport in any meaningful way. The barriers to integration, as identified by in-depth consultation with stakeholders across the sector, are summarised below.

- **Statutory responsibility for local public transport, highways and housing is fragmented across Local Areas**¹⁰. Planning and delivery for local public transport and new housing too often operate in silos, with different authorities and teams responding to different priorities. As a result, their policies do not necessarily promote integration of sustainable transport with new housing.
- **A lack of certainty over long-term funding prevents Local Areas from planning and investing strategically in local transport schemes that could transform new housing developments.** Constrained local government revenue budgets and fragmented central government funding also present challenges to Local Areas trying to undertake the strategic planning that could help deliver sustainable transport integrated with new homes.
- **National planning guidance does not provide Local Areas with enough clarity to promote effective planning for sustainable transport alongside new housing developments.** For example, national planning policy provides limited support for prioritising bus and rail transport as alternatives to car-based development. National policy does not go far enough to encourage meaningful engagement between local decision-makers and local businesses, infrastructure providers and bus operators.
- **Existing developer contribution mechanisms are insufficient to fund strategic sustainable transport infrastructure.** They are designed to mitigate the impacts of development impact, rather than capture the uplift in land values associated with investment in high-quality sustainable development.
- **Decision-makers often do not have a full appreciation of the holistic benefits – economic, social and environmental – of integrated sustainable development and housing.** Current appraisal approaches tend to focus on individual schemes rather than place-based programmes and consider a narrow range of benefits within the housing or transport market.
- **The design, pattern and location of new housing development mean that sustainable transport services are unfeasible.** Many new housing developments in England are built on the assumption that the car will be the primary mode of transport for residents, rather than having sustainable transport designed-in from the start. Where there are no alternative transport modes, developers need to provide significant space for car road use and car parking if the developments are to uphold value. The resulting design, pattern and location of housing development can make public transport services unviable for transport operators.

These barriers represent a missed opportunity to maximise the economic, social and environmental benefits of both private and public investment in sustainable transport and new housing.

AN AGENDA FOR REFORM

KPMG's study set out a call for action that would enable central and local government, transport operators and private developers to achieve better integration between sustainable transport and new housing. It can be distilled into three key reforms.

1 The Government should make a clear commitment to promote sustainable transport as a means of realising the economic, social and environmental benefits of new housing.

The UK's housing crisis has pushed up property prices and made it harder for people to move to areas with better job opportunities. Building hundreds of thousands of new houses is clearly part of the solution, but we need a place-based approach in order to optimise the economic, social and environmental returns on the investments made.

For the new wave of house building, we must not repeat the mistakes of the past by failing to align housing with sustainable transport planning. A joined-up approach to housing and transport is required, to encourage the development of higher density housing in locations that are, or could be, well served by high-capacity sustainable transport such as rail and bus.

- The forthcoming National Planning Policy Guidance should clarify expectations for sustainable transport provision with new development and provide Local Authorities with the necessary backing to put policy into practice.
- The potential benefits of integrated sustainable transport and housing development should be considered at the earliest stage of the plan-making process and appraised holistically in terms of their economic, social and environmental impacts when determining value for money.

2 The Government should enable Local Areas to invest and plan for local transport and housing on a more strategic basis.

The forthcoming Spending Review presents an opportunity to reform the way Local Areas are allocated capital and revenue budgets for transport and housing and deliver a joined-up approach. With longer term devolved funding packages, Local Areas would be able to more effectively prioritise investment according to their strategic priorities, better align local funding with funding from developers and national agencies and deliver more effective sustainable transport solutions that can be fully integrated with new housing development.

More integrated funding would also support Local Areas in developing genuinely spatial plans, to ensure that housing is connected to existing sustainable transport networks and that new strategic infrastructure is tied in with a long-term vision and strategy for transport across the Local Area.

When developing their spatial plans, Local Areas could undertake more substantive engagement and with infrastructure providers and transport operators.

The Government should:

- Consolidate the current capital and revenue funding for local transport and complementary policy areas, such as development-related grant funding, into a longer-term, devolved budget to Local Areas, in return for robust local governance and decision-making over this investment.
- Enable Local Areas to develop spatial plans that integrate planning for transport, housing and employment and, where appropriate, over a single economic geography.