



## **BSA - The Business Services Association**

### **Response to the National Infrastructure Commission Consultation**

**January 2016**

#### **Improving connectivity between cities in the north of England**

##### **1. To what extent are weaknesses in transport connectivity holding back northern city regions (specifically in terms of jobs, enterprise, creation and growth, and housing)?**

A lack of connectivity affects business investment, with the rapid movement of goods, services and labour hindered by inadequate transport links. The services industry thrives when people are in close proximity to each other. The City of London for example is only one square mile, yet was estimated to have contributed £35bn in national output in 2012<sup>1</sup>. From the business services sector point of view, our industry is more widely spread than comparable industries, such as financial services. A lack of investment in cross country connections, including within and to the north, would likely have a detrimental impact on the industry.

A better connected northern region sets the conditions for improved economic growth by reducing journey times and increasing access to jobs in urban centres. HM Treasury analysis<sup>2</sup> shows that successfully rebalancing the economy will add £44bn in gross value added in the North by 2030. Transport connectivity will be a key factor in ensuring this ambition is realised. This will help the North of England become a more attractive place for businesses to invest, which in turn will drive further infrastructure investment.

##### **2. What cost-effective infrastructure investments in city-to-city connectivity could address these weaknesses? We are interested in all modes of transport.**

Improving rail connectivity, so that journey times better relate to distance in miles, should prove cost-effective in the long run, due to associated improvements in productivity and value added. Smart Motorways offer another value-for-money option for improving connectivity between the North's major urban hubs. According to the Department for Transport the smart motorway schemes already planned will add 292 miles of road capacity across the UK by 2021<sup>3</sup>.

The government's Roads Investment Strategy will see major investment in the Strategic Roads Network and improvements in connectivity. Decision-makers must ensure that these plans are coordinated with regional plans that fall outside of Highways England's remit. A framework for holistic planning should be proposed whereby decisions at a regional level can be tied in with strategic planning by both Highways England and the Department for Transport.

The North of England's transport system has not been significantly invested in for a number of decades. The region finds itself in a similar position to London in the early 1990s, which has since seen investment and integration take place across its 32 boroughs. The north has an additional difficulty in not having an obvious centre, unlike London. In order to see city-to-city connectivity

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<sup>1</sup><https://www.cityoflondon.gov.uk/about-the-city/about-us/Documents/the-uk-world-class.pdf>

<sup>2</sup> [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/427339/the-northern-powerhouse-tagged.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/427339/the-northern-powerhouse-tagged.pdf)

<sup>3</sup> <https://www.gov.uk/government/news/over-15-billion-of-investment-awarded-to-upgrade-motorways-in-england>



improved, a clear vision for the North's transport future must be put forward and the proper experience and knowledge applied to realising it.

### **3. Which city-to-city corridor (s) should be the priority for early phases of investment?**

As the two largest urban economies in the North of England, improving connectivity between Leeds and Manchester is the clear priority for investment. At only 35 miles apart, they are closer to each other than both are to London and Birmingham, the UK's two largest cities in terms of GDP. Despite this relatively short distance, a typical journey time between the two is approximately 50 minutes. By comparison, London to Reading, which are a similar distance apart, takes on average 30 minutes by train. The importance of these two cities is reflected in the tax receipts they both generate easily being the highest of all cities in the North<sup>4</sup>.

The Leeds-Manchester corridor needs to become super-connected as it is central to the North's economic story and future prosperity. Better connectivity between the two is only the start of the process needed to ensure growth in the region, with Combined Authorities in Leeds, Manchester and beyond needing to coordinate on investment, particularly from abroad. As a priority, Yorkshire Combined Authorities should focus on their relationship with Manchester.

The National Infrastructure Commission has correctly identified east-west connectivity in the North of England as a priority and all the economic data points to the critical importance of the Leeds - Manchester connection. However, beyond this the importance of the links to Liverpool and Chester from Manchester and the links to Hull, York and Sheffield from Leeds needs to be recognised and existing connectivity should be carefully examined. HS2 rightly recognises the importance of Leeds and Manchester. However, in addition to boosting these locations, they should also be seen as the hubs for connections to other regional cities and Combined Authorities.

From a wider strategic standpoint, the Northern Powerhouse idea will work best when relevant stakeholders think of the North of England in a single, coherent way.

### **4. What are the key international connectivity needs likely to be in the next 20-30 years in the north of England (with a focus on ports and airports)? What are the most effective way to meet these needs, and what constraints on delivery are anticipated?**

A lack of available investment, both from the public and private sector, is likely to be the main constraint on improving international connectivity. The delays associated with airport expansion in the South-East demonstrates the stringent tests applied to upgrading and constructing new airport infrastructure. Despite this, as the UK's only two runway airport outside of London, Manchester Airport offers significant potential for connecting the North to emerging global markets.

A number of major northern cities such as Liverpool and Hull have ports and as such increasing capacity in this area could improve international connectivity. Whilst unlikely that a new port will be built in one of the North's coastal towns, options for adding to existing capacity should be explored.

The National Infrastructure Commission should examine options for integrating HS1 and the planned HS2 into the wider railway network. The planned HS2 connection to Crossrail at Old Oak Common will

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<sup>4</sup> <http://www.centreforcities.org/wp-content/uploads/2015/07/15-07-06-Mapping-Britains-Public-Finances.pdf>



substantially improve midland and northern connectivity to Heathrow. Further options for this style of rail integration should be explored and planned where feasible, with connections to the north a key consideration.

**5. What form of governance would most effectively deliver transformative infrastructure in the north, how should this be funded and by whom, including appropriate local contributions.**

Government, industry and local authorities have long used a variety of different measures to fund local, national and international infrastructure. It should be noted that there is no 'silver bullet' funding mechanism and that individual projects should be assessed based on location, value added, cost and construction time, amongst other considerations. Government funding should be coordinated between relevant bodies and be stable, without sudden withdrawals of resources. This will in turn give business the confidence to invest in the North, knowing that a steady stream of infrastructure investment is ongoing.

In terms of governance, bodies such as Transport for the North and Transport for Greater Manchester provide a focal point for the delivery of transformative infrastructure. These organisations should have a clear strategy which isn't regularly or radically changed without good reason. Transport for the North can perform a similar role to Transport for London in bringing together pre-existing transport bodies covering the northern region. Whilst it is important that Transport for the North becomes greater than the sum of its parts, there exists a tipping point where it becomes too broad. Relevant stakeholders should seek to ensure this is avoided.