

# National Infrastructure Commission Call for Evidence

## Connecting Northern Cities

### Sheffield City Council Response

#### 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)?

##### The North is underperforming economically

The North has great economic potential through a number of assets including land, large numbers of skilled graduates, strong governance, and unique sector strengths stemming from its industrial heritage. However, there has been a long-term trend of underperformance in the northern economies when compared to the South East of England or similar regions around the world. The lower levels of productivity in the North are well-documented – output per capita remains consistently below the UK average.<sup>1</sup> Lower levels of labour market participation and skills also contribute to a widening output gap with London and the South East. Despite containing 82% the population of London, the ‘Northern Triangle’ of Sheffield, Manchester and Leeds contribute just 40% of its economic output.

**Table 1: The Northern Triangle compared to London**

City region	Population	Jobs	GVA
London	8.2m	4.3m	£303.4bn
Northern Triangle	6.7m	2.8m	£120.0bn
Northern Triangle relative to London	82%	65%	40%

Sources: Census 2011, BRES, ONS GVA

Note: Sheffield City Region GVA estimate calculated based on the sectoral split for employment

This trend has worsened over time, as highly skilled workers have moved southward to seek out new opportunities. Population forecasts now predict the growth in the working age population of the Northern Triangle cities will lag behind the national average as they become host to an increasingly older population. This has serious implications for the fiscal sustainability of these regions, as their tax base shrinks and the costs of caring for an aging population rise. This alone provides strong basis for action as ‘business-as-usual’ has significant implications for the future shape of the national economy.

##### Poor connectivity in the North goes a significant way to explaining this underperformance

Cities and regions in the North are busy devising plans to change their future economic trajectories, but they are unlikely to reach their potential without the appropriate infrastructure. It is widely accepted that poor connectivity has plagued the North for decades as successive governments have responded to overcrowding in London and the South East by committing most of the available funding to that region.<sup>2</sup> Reports consistently show that London receives significantly more infrastructure spending per head of the population compared to Northern England.<sup>3</sup> Importantly,

<sup>1</sup> In 2012, output measured in Gross Value Added (GVA) per capita in Yorkshire and the Humber, which includes Sheffield and Leeds, was around 18 percentage points below the UK average. The per capita output of the North West region, including Manchester, was around 13 percentage points lower than the national average.

<sup>2</sup> Higgins (2014), ‘HS2 Plus’

<sup>3</sup> IPPR North. ‘On the wrong track (2011)’, ‘Still on the wrong track’ (June 2013) and ‘Transport for the North’ (2015)

the economic success of London and the South East means that it is much easier for that region to access private capital for infrastructure projects, while the North is unable to tap into this funding source, creating a vicious circle of low investment, poor infrastructure and economic underperformance.

While the economic prospects of a region are determined by a multitude of factors, a growing evidence base suggests that connectivity is an essential pre-requisite for growth. The issue of underdeveloped transport infrastructure in the North is well-documented in work by the Northern Way, the Spatial Economics Research Centre (SERC), and the Department for Transport, among others.<sup>4</sup>

The ways through which transport impacts the economy can be generally split in two categories:

- Capacity: increasing capacity in already congested networks or providing sufficient capacity to meet long-term demand, and in the process improving resilience and reliability across the network; and,
- Connectivity: enhancing connectivity by delivering shorter and easier journeys, or creating connections between places that were not previously linked, both of which would boost the economic outcomes of the transport investment.

Within the context of cities in the North, the debate around northern connectivity has focused primarily on the slow journeys and inadequate frequencies between cities because of the link this has with economic outcomes. However, the work by Network Rail in the Yorkshire and the Humberside RUS suggests that capacity is also a problem. Accordingly, while the debate is likely to focus on connectivity and economic outcomes, the issue of capacity is of equal importance, especially if enhanced connectivity ultimately leads to faster rates of economic and population growth. This would increase pressure on the network.

### **Cities, as centres of economic activity, are poorly connected to each other**

Cities offer a concentration of the key ingredients for growth and therefore have a fundamental role to play in driving growth and rebalancing the UK economy.<sup>5</sup> This particularly applies to city centres, and the trend of city centres attracting high performing sectors is supported by vast amounts of research. In their report, 'Beyond the High Street; Why our city centres matter' Centre for Cities outlined how in large cities, city centres are playing an ever increasing role in city-wide economic performance and that many of the highest skilled and best paid industries, which have been critical sources of jobs growth in recent years, prefer to locate in city centres. Knowledge intensive business services (KIBS) jobs are almost twice as likely to be concentrated in the central areas of cities, compared to private sector employment in general. KIBS jobs tend to cluster in city centres because they benefit from agglomeration; public transport infrastructure; a concentration of skilled workers; access to good quality retail, leisure and cultural facilities and the vibrancy and sense of place that only exists in city centres.<sup>6</sup> This trend is well known within Government and is evident in policies such as the Northern Transport Strategy:

*"Much of the knowledge economy thrives in cities where ideas and innovation are created, and the opportunities to grow are greatest. City centres in particular house these sectors, which rely on goo*

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<sup>4</sup> See, for example: The Northern Way (2011), 'The Economic Case for Transport Investment in the North'; Overman, et al for SERC (2009), 'Strengthening economic linkages between Leeds and Manchester'; or Department for Transport (2008), 'Transpennine Connectivity Study'

<sup>5</sup> City Growth Commission (2014), *Unleashing Metro Growth*

<sup>6</sup> Centre for Cities (2013), *Beyond the High Street: Why our city centres matter*

*rail links to connect businesses to each other and bring commuters into work from the surrounding suburbs and counties.”<sup>7</sup>*

Currently, economic interactions between the cities in the North of England are weak but geographically similar regions in other parts of the world demonstrate that a dense, well-connected network of cities can form a successful single economic entity which is greater than the sum of its parts. Faster connections in the UK northern cities could grow demand for services, creating a single labour market for employers and employees and provide businesses with access to new markets. Prominent examples of such internationally competitive city networks are the Randstad in the Netherlands and the Ruhr region in Germany. Within the Randstad, city to city distances are about 30 – 50 miles and are interconnected with fast rail services each 15 minutes.<sup>8</sup>

In contrast, the distance between Manchester and Sheffield is shorter than the length of the District Line in London yet their economic interactions are limited. At the moment, connections between the cities of the North cannot compete with those of better performing regions, and it is clear that this makes it increasingly difficult for northern English cities to successfully compete in today’s global economy. The distances and travelling times between city pairs are outlined below.

**Table 2: Distance and travel time between core cities in the North of England**

From	To	Distance (miles)	Journey time by road	Journey time by fastest train	Fast service frequency	Average train speed
Sheffield	Leeds	29	49 min	40 min	1 tph	68 mph
Sheffield	Manchester	33	72 min	61 min	2 tph	42 mph
Manchester	Leeds	36	69 min	48 min	3 tph	46 mph
Manchester	Liverpool	31	46 min	33 min	1 tph	46 mph
Manchester	Newcastle	107	161 min	140 min	3 tph	66 mph
Leeds	Newcastle	81	109 min	81 min	3 tph	61 mph

Sources: National Rail; Google Earth, Google Maps

The main commuter markets in the North are Leeds-Sheffield with Manchester-Liverpool second, while commuting between other city pairs is much weaker;

- Only 231 people commuted from Sheffield to Manchester for work (with 511 travelling in the opposite direction);
- Only 513 people commuted from Leeds to Manchester (with 715 travelling in the other direction);
- The number of commuters from Sheffield to Leeds decreased by over 1,000 between 2001 and 2011, while the number of commuters going the other way rose from only 872 to 2,461.<sup>9</sup>

To put this in context, there are 2,400 people that reported commuting from Glasgow to Edinburgh (two cities which, at 42 miles apart, are further away than the cities of the Northern Triangle). The only comparable figure in the North is the Leeds-Sheffield corridor.

<sup>7</sup> DfT (2015), The Northern Powerhouse: One Agenda, One Economy, One North, p.14

<sup>8</sup> One North (2014)

<sup>9</sup> Census (2011)

**Table 3: Commuting data, 2011**

Area of residence	Area of work				
	Leeds	Liverpool	Manchester	Newcastle	Sheffield
Leeds	236,695	219	531	180	2,461
Liverpool	131	118,452	669	12	56
Manchester	715	1,692	109,018	42	511
Newcastle	96	21	26	63,904	35
Sheffield	1,152	56	231	52	161,071

Source: Census 2011

### **Under-investment means intra-city region connectivity is also inadequate**

Commuting markets are much stronger within city regions themselves particularly those focused around the urban centres that provide the majority of the jobs in these regions. However, there are still significant gaps in infrastructure at intra-city region level. These may be regarded as being 'local' issues but they have a national impact because cumulatively they are holding back growth in the North as a whole.

Both connectivity and capacity issues act as a break on the growth prospects for Northern city regions. A symptom of underinvestment in Northern transport is a lack of connectivity in areas situated outside of traditional commuting zones. This has limited the growth of key economic assets including our Advanced Manufacturing Innovation District and Robin Hood Airport Doncaster-Sheffield. The future growth ambitions of these assets depend on city regions having the resources or mechanisms to secure funding and commitment for transport schemes.

Capacity on traditional commuting routes is also a barrier to growth in the city region. In terms of rail, this includes the current approach to Sheffield Midland station, which acts as a bottleneck on the rail network. Network Rail has identified this precise stretch as a "red stress level" - one of the highest capacity restraints anywhere on the existing national rail network. By road, the following locations are a particular concern for SCC:

- The Sheffield city centre Inner Relief Road and its junctions.
- A57 Sheffield Parkway.
- M1 Junctions 33 and 34 North and South (including M1 Tinsley Viaduct).<sup>10</sup>

Future capacity on local highways also needs to be considered – for example, a new transpennine road tunnel could have a potential impact on the local highways in the city.

Transport for the North recognises the importance of intra-city region connectivity to the Northern Powerhouse concept which is why one its key workstreams is strategic local connectivity. The Sheffield City Region Transport Strategy sets out how transport can support the region's growth ambitions and we will continue to identify and develop local schemes with partners including Highways England, Network Rail and Department for Transport.

Good quality intra-city region connectivity is vital for a Northern Powerhouse economy. The shift in Government policies based on city regions recognises the value of economic growth interventions at

<sup>10</sup> All the above are subject to current Highways England infrastructure analysis.

the functional economic geography level. Transport is one of the best examples of the benefits of operating at this level given its role in connecting labour markets to jobs across administrative boundaries.

The economic benefits of this way of working now need to be recognised consistently across Government. This includes HS2 which continues to view the HS2 station in Sheffield as a 'South Yorkshire hub' and not recognise the impact the new HS2 station could have in parts of Derbyshire and Nottinghamshire, particularly if the station is located in Sheffield City Centre. It is imperative that the functional economic geography of Sheffield City Region is assessed, not the arbitrary administrative construct of South Yorkshire.

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

### **Transport for the North**

Rail travel is the sector that is growing most rapidly in the North, and even with the completion of the Northern Hub and the electrification of the Manchester to Leeds Trans-Pennine route in 2018, the network will be operating close to capacity. The most recent data shows that demand continued to increase throughout the recession and further into the post-recession period. This is a result of a general modal shift from car to rail as a result of rising costs of car commuting as well as a structural shift into office-based types of employment. Network Rail's Rail Utilisation Strategy (RUS) for Yorkshire and the Humber predicts that peak passenger demand into the major cities of the North will increase by as much as 52% by 2029.

Strong growth on commuter lines means that existing rail services across each city region are under pressure. The RUS identifies crowding on these routes as a key strategic gap. Consequently, several studies (including the DfT's Trans-Pennine Connectivity Study) have concluded that given the geographic and environmental constraints, improvements to rail connections provide the best opportunity to improve transport connectivity in the city regions that make up the Northern Triangle.

Sheffield City Region is part of Transport for the North and Sheffield City Council's Leader, Councillor Julie Dore is a member of the Transport for the North Partnership Board. Transport for the North will be prioritising options across various modes of transport and we strongly support this programme of work. We would like to highlight the following projects being explored as part of Transport for the North that are particularly relevant to Sheffield's economic ambitions:

- The Northern Powerhouse Rail Network, including a new transpennine line to transform connections between city centres including Sheffield and Manchester (and Leeds and Manchester). TfN work so far indicates that very significant sections of new line would be needed to achieve the vision for journey times and service frequencies set out in the Northern Transport Strategy. Simply upgrading the existing Hope Valley line to Manchester will not go far enough both in terms of capacity and transforming journey times.
- The acceleration of the HS2 line between Sheffield and Leeds
- A new Transpennine tunnel for road, following the positive findings of a feasibility study published on 30th November 2015
- The introduction of smart ticketing, making it easier for people to travel, following the Government's commitment to £150 million of funding for this project.

For these improvements to make a real impact to people's day to day lives, they must offer a high quality experience at an affordable cost for passengers.

### **HS2 Station Location**

Almost three years ago, in 2013, the Government announced that its preferred station location for HS2 in Sheffield City Region was at a parkway location at Meadowhall rather than a city centre location.

Over the past few years there has been a very welcome acknowledgement by Government of the importance of Northern connectivity to support economic growth and alongside Transport for the North, the establishment of the National Infrastructure Commission is good example of this. Within the context of the recognised potential of cities, the importance of quality infrastructure to support growth, and the value of a strong and connected North, we believe if the initial HS2 station decision was being announced today it would be different because it is now at odds with every single other aspect of Government policy.

The final decision has not been made, but it will be made soon. In the short-term, if there was one immediate policy that the National Infrastructure Commission could influence for the benefit of the North, it would be to change the location of the HS2 station in Sheffield.

City centres are the hubs of economic activity in the North and connecting them to one another is the only way to get the size and scale of agglomeration Northern cities need to raise their productivity levels. Compelling evidence demonstrates that a city centre station would generate significantly higher economic benefits, for Sheffield, the City Region and the UK as a whole:

- Forecasts by Genecon suggest a city centre station would generate up to £5 billion additional GVA and 6,500 more jobs compared to Meadowhall. HS2 Ltd's own forecasts suggest this difference would be even larger.
- HS2 Ltd estimate that Victoria would generate over a 1000 more homes than a parkway station
- The additional jobs generated by a city centre station could generate up to £1 billion in additional income tax compared to Meadowhall, and £530 million more in business rates.
- The city centre location is better connected to the whole of Sheffield City Region
- Being closer to the city's business district means that Victoria would generate more passengers compared to Meadowhall – Hs2 Ltd's own figures suggest this would be 24% higher, and particularly high for passengers travelling to places other than London.<sup>11</sup>

This significant difference, particularly in journeys to cities outside of London demonstrates the importance of a city centre station to the Northern Powerhouse which is about creating connected economic centres and a single labour market; achieving the figures above would be a demonstration of the Northern Powerhouse in action.

The renewed interest in northern connectivity has already led to some changes in the Government's proposed HS2 route and station locations. A good example is HS2 Ltd's recommended changes to Leeds station, proposed because the Leeds New Lane location was "too detached from the existing station and too isolated from the city centre".<sup>12</sup>

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<sup>11</sup> A summary of the evidence for a city centre HS2 station can be found at [http://www.welcometosheffield.co.uk/content/images/fromassets/100\\_6867\\_261115151904.pdf](http://www.welcometosheffield.co.uk/content/images/fromassets/100_6867_261115151904.pdf)

<sup>12</sup> HS2 Ltd (2015), The Yorkshire Hub, p.7.



The same concerns apply to the Sheffield HS2 station. With Government's current preferred location this would mean a 4 mile gap between the HS2 hub and NPR hub in Sheffield and expensive additional connection between the two locations. Research suggests the cost of this connection would outweigh any cost savings associated with the Meadowhall location. In fact, if HS2 and Northern Powerhouse Rail costs are considered together, and the additional business rates generated by a city centre station are factored in, a city centre station would involve no additional cost compared to a parkway station.

Transport improvement can allow more economic activity to concentrate, at high density, in a particular place<sup>13</sup>. However, transport is not an end in itself – connecting cities is necessary but not sufficient for boosting productivity. The density of cities also needs to increase and we can best do this by ensuring the connections are to the areas of highest passenger demand and future growth through regeneration. In Sheffield's case, the proposed location for the city centre station would be in the heart of a new business district, in an area ripe for redevelopment for both offices and new homes. London Continental Railways, the regeneration company owned by DfT, recognised the regeneration potential of Victoria:

*"The Victoria location offers major opportunities for urban regeneration (on a par with, if not greater, than the most regeneration-friendly of other HS2 stations). Given:*

- a) the central urban location of Sheffield Victoria,*
- b) the availability of derelict/under-utilised land,*
- c) the underlying strong economic drivers and associated recent regeneration successes in the city, and*
- d) the potential to build upon the successes of Sheffield City Council and previous regeneration bodies,*

*Sheffield Victoria would be likely to represent one of the higher priority locations for any activity by a HS2 Regeneration body."*<sup>14</sup>

A modern Northern rail network that supports a revitalised Northern economy cannot be based around a north-south rail-line primarily designed to reduce capacity constraints to London. We face the absurd situation of trying to integrate an out of town parkway station into a new line that is designed to run between city centres. Our concern is that the more advanced nature of HS2 is biasing NPR decisions, to the detriment of Northern connectivity as a whole.

This concern is not solely related to the economy of Sheffield. Locating the HS2 station in the area of the City Region which has the greatest potential to increase densities of both employment and new homes has massive benefits to the wider North in terms of agglomeration and labour market flexibility. Basing NPR around HS2, without HS2 making further accommodations, risks undermining the potential of the Transport for the North vision and undermining the entire credibility of HS2's ability to rebalance Britain.

### **What is 'cost effective' in transport terms?**

We believe the decision to locate the HS2 station on the outskirts of Sheffield is evidence of the shortcomings of the current transport appraisal approach. It fails to recognise the real economic value of transport investment in the North and the potential for growth. The key issue with the conventional approach is the question of whether the methodologies used to measure wider economic impacts are suitable for major intercity transport interventions.

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<sup>13</sup> Rosewell, B. and Venables, T. (2014), *High Speed Rail, Transport Investment and Economic Impact*

<sup>14</sup> LCR (2014), *HS2 Phase 2 Stations: LCR Development Reviews – Sheffield Victoria Station*

The current methods were specifically developed in the context of the wider economic benefits of Crossrail, essentially a commuter network. However, northern connectivity proposals relate to intercity rail networks, which will transform capacity and connectivity across large swathes of rail infrastructure in the North through capacity release, integration with local transport networks and other transport modes, and increased freight capacity.

A large part of the benefits of transport interventions in conventional appraisals are reflected in the magnitude of demand between different origin and destination pairs. However, there is always a large degree of uncertainty with future demand forecasts, and these are made worse by the fact that some of these transport investments by definition are transformational in that they are able to change service patterns and hence demand characteristics.

For example, it would be very difficult to forecast demand for rail travel demand between Manchester and Sheffield if there are suddenly 6 fast trains per hour with a journey time of 30 minutes. The current fastest journey time is 1 train per hour with a journey time of 51 minutes. The demand patterns are likely to look significantly different in the future with transformed service levels. If northern connectivity proposals were to change the structure of the economies in the North towards more productive sectors, and increase productivity within sectors (say by changing the occupational structure within sectors), then the patterns of travel are also likely to change. This would impact on the overall demand for travel across modes.

There are indications that Transport for the North is taking a different approach, which is very much welcomed. However, it is still early days for TfN and the formal appraisal process for schemes is not yet clear. In order to avoid this, appraisal mechanisms for Northern connectivity need to be carefully designed in order to capture the potential economic benefits of such improvements. They also need to operate at sufficient scale and look beyond individual schemes to a programme of integrated measures designed to operate at the scale necessary to deliver. This is not the type of appraisal mechanism the UK currently uses, and the necessary reforms go a long way beyond small adjustments to the way wider economic impacts are addressed.

The appraisal approach will also need to be multi-sector and extend beyond pure transport investments into local economic development and regeneration, skills, and other interventions that address labour participation rates. The approach should take into account any local contributions that could be made, as these are not currently considered. The implication is that the criteria for appraisal should include a combination of quantitative and qualitative criteria that seeks to prioritise investments through their impact on jobs and output in these cities and at the national level.

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

The success of London benefits the UK as a whole and London must continue to succeed as a global city. Northern cities have however felt the impact of a continuous focus of infrastructure investment in one area of the country. For the North to meet the ambitions of the Northern Powerhouse, connectivity needs to be transformed across the whole of the North as a new modern network rather than between two particular cities. It is only by doing this that we will achieve the scale necessary to function as a single economy to compete internationally.

In recognition that investment will be phased, the triangle of Sheffield, Leeds and Manchester offers a unique combination of scale and proximity, as the three cities sit an average of just 33 miles apart. To put this in perspective, this is the same distance as traversing from Reading to central London (regularly taken by commuters). When taken together, this Northern Triangle accounts for 6.7 million people and £120 billion of economic output (as measured by GVA) per annum. This

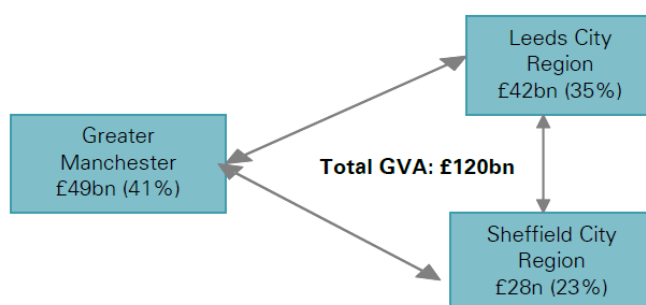


represents just over 10% of the national economy and its current size is larger than the economy of the East of England.

The projects that would transform the connections within this triangle by reducing journey times to 30 minutes are already either being explored or being planned, but require commitment, and in some cases, amendments from Government:

- The acceleration of HS2 between Leeds and Sheffield, with a HS2 city centre station in Sheffield
- A new high speed transpennine rail route that connects both Leeds and Sheffield to Manchester

**Figure 1: GVA of the Northern Triangle**



This triangle sits in the heart of a wider network and the connections beyond this are also important. Improved connections to Hull, between Manchester and Liverpool, or Newcastle and Leeds all benefit Sheffield. Sheffield is also uniquely positioned in its connections to the cities of Birmingham and Nottingham – whilst these areas are not within the scope of Transport for the North or the Infrastructure Commission, they are still centres of population and economic activity that will benefit from improved inter-city connectivity. Sheffield's location as the gateway to the North means investment in its transport corridors brings added value to the UK economy.

#### **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 is the most effective way to meet these needs, and what constraints on delivery are anticipated?**

Manchester Airport is a key link between the northern cities and global markets for both businesses and consumers. Manchester Airport is the largest outside London and the third largest in the UK. Journey times and frequencies by rail to Manchester Airport are poor: it takes 1h 20 minutes to get from Sheffield to Manchester Airport.<sup>15</sup> As a result, the majority of people arrive by car. This is a major strategic issue as the M56 is forecast to be close to capacity by 2015.

The scope to grow airport use will increasingly become constrained by road network capacity and so there is a need for enhanced rail connectivity (especially in an east-west direction), light rail connectivity and direct cross city services to the North's principal international gateway airport.

Sheffield City Region has also made recent investments to improve access to Doncaster Robin Hood Airport through the Finningley and Rossington Regeneration Route Scheme (FARRRS). In 2013, Doncaster Sheffield Airport handled just under 700,000 passengers offering passenger flights to over 30 destinations, and handled over 350 tonnes in freight transportation.<sup>16</sup> This year, the airport

<sup>15</sup> One North (2014)

<sup>16</sup> Civil Aviation Authority, (CAA), UK Airport Statistics

announced eight new routes including two major European hub airports. The airport is situated within one of Sheffield City Region's Enterprise Zones and both the airport and its surrounding area has capacity to support the growth in air travel demand in the Northern Powerhouse.

It is important that the international link originally planned for HS2 is revisited so that cities beyond London can benefit from direct international rail connections. Currently, Sheffield has probably one of the easiest interchanges for international rail journeys of all cities, but this interchange still creates inconveniences and time delays. Direct journeys would transform international connectivity between Northern cities and continental Europe.

Sheffield City Region sits at the heart of the country and has the potential to harness significant economic and productivity benefits from a more effective and efficient freight network with improved multimodal connectivity to international gateways. This relates chiefly to the Ports to the west which include Manchester Airport, Liverpool Port and the Inland Port at Salford, and to the east including Humber and Humberside. There is also a significant benefit that can be derived from more effective north/south links, as access to East Midlands Airport and the southern Port of Felixstowe could have transformational impacts on the distribution of imports and exports from Sheffield City Region businesses.

The Northern Freight and Logistics Strategy notes that the SCR is a key national location for multi-modal freight. Improved connections to key freight interchanges at Doncaster, Humber and Liverpool should be enhanced to improve the competitive advantage of northern manufacturers and distribution companies. This builds upon the Trans-European Transport Network, which recognises that Trans-Pennine connectivity is a key part of a trans-European freight network. The resilience and reliability of the network as well as capacity improvements is important to an efficient freight network. Areas that create disruption and bottlenecks 'en route' to the ports also need to be identified. For example, in terms of road links to the Humber, there are bottle necks at Hull and Immingham that need to be addressed.

## **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?**

Sheffield City Council, as part of Sheffield City Region, is part of both Rail North and Transport for the North. We welcome the increased role that local authorities in the North now have in informing the future design and priorities for transport infrastructure in the North using these structures but the real test of whether governance is effective is whether the right decisions are made for local areas.

We are open to the idea of local contributions forming a key part of infrastructure funding in the future. However, if local areas are going to play a greater role in financing infrastructure, they must have greater influence over the decisions being made and how those decisions are made. Simply devolving the flawed frameworks that Government currently use and expecting local partners to contribute to the costs will not transform infrastructure in the North.

We must see local contributions hand in hand with local influence. The HS2 station location in Sheffield is a classic example. Sheffield City Council has demonstrated a willingness to make a meaningful contribution to close any cost differential - but only if the station is located in the place that delivers the greatest economic impact, generating the uplift that will allow a local contribution to be made.