M76. a) Are all of the transport schemes set out in Table 10.1 necessary and adequate to deliver the development proposed in the Plan?

b) In the context of the identified funding gap of £3.1billion per year, is there a reasonable prospect that the transport schemes set out in Table 10.1, and any other essential strategic transport schemes, will be delivered in a timely fashion in relation to the timing of development proposed in the Plan?

**Delivering the development proposed in the Plan**

76.1 The schemes set out in Table 10.1 are adequate to deliver the development proposed in the draft London Plan. They are necessary to support the delivery of housing and employment growth to 2041, ensuring sustainable transport outcomes are achieved on the public transport and road networks as this growth occurs, and contributing to other objectives of the draft Plan, such as creating a healthier city and supporting the efficient functioning of London’s economy.

76.2 Strategic modelling carried out by TfL in support of the Mayor’s Transport Strategy (MTS) established what package of transport schemes would be sufficient to achieve sustainable transport outcomes for the overall levels of development proposed in the draft Plan. This modelling tested a series of cumulative packages of transport measures to establish the level of intervention required to support the population and employment forecasts that form the basis of the draft Plan. The packages included schemes beyond those that are committed in order to plan for all the development that is proposed in the Plan, including that which may come forward beyond the 10-year housing targets up to 2041. The scenario where the MTS is implemented in full (the ‘MTS scenario’) includes the strategic-level schemes contained in Table 10.1 and demonstrates that the growth outlined in the draft Plan can be supported whilst achieving sustainable transport outcomes.

76.3 The packages with lower levels of intervention did not result in sustainable transport outcomes, leading to higher levels of road congestion and public transport crowding. These unacceptable impacts would ultimately become a constraining factor on development (in line with Policy T4 or Policy SI1 in relation to air quality). Some schemes were not included as part of the MTS scenario, in part due to the reasonable limitations of strategic modelling; these schemes are nevertheless included in Table 10.1 as they have strategically important impacts or are targeted at other objectives such as improving air quality, reducing road danger and increasing the accessibility of public transport.

76.4 The schemes contained in Table 10.1 are therefore deemed to be necessary and adequate to deliver the growth outlined in the draft Plan sustainably. As well as new and upgraded rail links that play a particular role in unlocking growth across

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1 NLP/TR/16a: Transport for London, Mayor’s Transport Strategy: Outcomes Summary Addendum, 2018
2 These are explained in more detail in the Mayor’s Transport Strategy: Outcomes Summary Report (NLP/TR/016: Transport for London, July 2017)
broad areas, other improvements will be important to ensure development can be
delivered sustainably and is not unnecessarily constrained by the transport
network. This includes changes to the bus network to meet future demand;
improved bus reliability and expanded bus priority; changing street environments
to support more walking and cycling; and measures to reduce the impact of freight
movements. It also includes the implementation of the next generation of road
user charging in the longer term. A full list of the schemes contained in the MTS
scenario is included within the Strategic Transport Modelling evidence paper.³

76.5 The 10-year housing targets set out in the draft Plan are informed by the housing
capacity identified in the Strategic Housing Land Availability Assessment (SHLAA).
The method employed to produce the SHLAA uses evidence-based assumptions
that higher densities can be delivered in locations with higher Public Transport
Access Levels (PTAL), and factors in changes resulting from committed transport
schemes such as the Elizabeth line and the Northern line extension. The SHLAA also
considers transport capacity by reducing the probability of a site coming forward
(and thus its contribution to the overall notional housing capacity) where there is
an identified transport infrastructure constraint. As such, the committed schemes
in Table 10.1 contribute to the sustainable delivery of the 10-year housing target

76.6 Finally, the SHLAA applies higher density assumptions in Opportunity Areas, which
is reflective of development trends in these locations and their strategic
importance in delivering development in London (42 per cent of the total housing
target). In some cases, this may require additional transport infrastructure to
support, and Policy SD1 discusses some of the transport infrastructure that may be
needed to realise the optimum development capacity in these areas.

76.7 While the broad level of intervention is necessary to deliver the growth outlined in
the draft Plan sustainably, individual schemes may be altered, added or removed
from Table 10.1 over the period of the draft Plan as they are progressed. This will
be kept under continuous review and will be updated as revisions to the London
Plan are made. This strikes a necessary balance between providing sufficient clarity
on the most likely pipeline of transport projects and adequate flexibility to respond
to changing circumstances over the coming decades.

Funding

76.8 It is inevitable over the Plan period that different financial opportunities and
constraints will be encountered, whether known during the development of the
Plan or not. The Mayor and TfL are committed to ensuring that sufficient levels of
transport investment are sustained and will continue to invest in the existing
transport network including operations, renewal and other improvements. It is
important that investment is made at the most appropriate time and it will be
necessary to conduct ongoing reviews of investment needs (for example, through

³ NLP/TR/002: Transport for London, Strategic Transport Modelling Report, December 2017
the established TfL Business Plan process). In this light, the approach to identifying and funding transport schemes in the draft London Plan is considered appropriate.

76.9 As identified by Chapter 11 of the draft London Plan, around £3.3 billion per year of capital investment in transport would be required to deliver the schemes identified in the MTS.4 While there are clearly some significant challenges in closing the associated funding gap, this amount is equivalent to 0.9 per cent of London’s Gross Value Added5, which is in line with the fiscal remit6 set by Government within which the National Infrastructure Commission (NIC) make recommendations in their National Infrastructure Assessment 2018.

76.10 The NIC’s report refers directly to the proposals of the MTS and further recommends that transport investment is maintained at levels that are consistent with the £3.3 billion a year required. The NIC argues that this level of investment is justified in a national context given that London has the highest value jobs and the strongest forecasted employment growth in the UK, generating substantial tax revenue for investment elsewhere in the UK. The report goes on to state that as an internationally competitive city, not addressing infrastructure constraints – posed by the highest congestion and crowding levels in the country – risks employment being displaced overseas.

76.11 Some schemes in Table 10.1 have identified funding packages but some are currently unfunded, owing to their longer-term nature or other project specifics. Given this, Chapter 11 discusses potential funding streams that may be explored to deliver transport infrastructure, each with varying degrees of certainty, and some of which would require additional Mayoral powers.

76.12 Established mechanisms contribute significantly to the necessary funding package, and these are supported through Policy T9. One such stream is the new Mayor’s Community Infrastructure Levy (MCIL2), which will contribute significantly towards transport infrastructure of strategic importance7 (such as Crossrail 2) as has been demonstrated through MCIL1 and the Crossrail Funding Supplementary Planning Guidance (SPG).

76.13 Existing local funding sources - including borough and developer contributions - will also continue to play a crucial role in funding and delivering the required transport infrastructure. Policies T4 and T9 provide a robust mechanism to ensure local

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4 The £3.1 billion per year figure cited in the question refers to the funding gap for all infrastructure, identified in the London Infrastructure Plan 2050. The £3.3 billion estimate found in paragraph 11.1.26 of the draft Plan focuses specifically on the estimated annual capital expenditure for the necessary transport infrastructure identified in the Plan.

5 Or 1.1 per cent with the inclusion of capital renewals, which are also covered by the Government’s fiscal remit.

6 National Infrastructure Commission, National Infrastructure Assessment, July 2018, page 111 and Table 7.1

7 The Mayor will formally adopt the levy (taking effect in April 2019) following the conclusion of the MCIL2 Examination in Public. The Examiner’s report and recommendations can be viewed here: [https://www.london.gov.uk/sites/default/files/mcil2_examiners_report_nov_2018.pdf](https://www.london.gov.uk/sites/default/files/mcil2_examiners_report_nov_2018.pdf).
funding streams improve the transport network where the demand from development necessitates it.

76.14 Further to these, the Mayor is committed to exploring funding avenues that would require a change in central Government or legislative approach. This could include various forms of further fiscal devolution\(^8\) or new mechanisms that capture value uplift from the betterment of land due to public investment in transport infrastructure. The GLA and TfL are also working with the boroughs to explore local funding streams such as workplace parking levies.

76.15 Some schemes may also require bespoke funding packages, for example the Bakerloo line extension and Sutton Link. Each will be tailored to the specific circumstances of the project, leveraging its geographical location, potential scale of dependent development, and ability to use local or central Government\(^9\) funding options.

76.16 In certain circumstances, ‘prudential borrowing’ may be pursued, offsetting the upfront capital costs of strategic transport infrastructure against expected future revenues. The general spatial approach, optimising of development density, and transport schemes (Table 10.1) set out in the draft Plan may improve the viability of such financing options (and the business cases for transport projects in general) by increasing the likelihood of future public transport services generating surpluses.

76.17 Although existing funding mechanisms could generate significant amounts, to close the identified funding gap, it is acknowledged that new forms of funding and support from central and local Government will be needed to ensure delivery according to the timescales indicated in Table 10.1. Further funding options may also become available in the future; for example, next generation road user charging. All of these will be pursued at the appropriate stage and the Mayor will continue to work with central Government and other relevant bodies to explore any additional powers needed to fund transport infrastructure.

*Timely delivery of transport schemes*

76.18 Alongside securing the required funding, the timely delivery of transport schemes with respect to the development proposed in the draft Plan will be crucial to achieving sustainable growth in London. Ensuring the appropriate sustainable transport infrastructure is in place at the right time will help to embed sustainable travel into new developments from the outset. It is expected that the schemes contained in Table 10.1 will be delivered in a timely manner. To do this, the Mayor

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\(^8\) For example, further business rates devolution, which is estimated to have been able to raise between £120 million and £140 million in 2018/19.

\(^9\) The GLA and TfL have demonstrated how specific, tailored central Government funds can be used to secure significant investment in strategic transport infrastructure in London through the recent example of the Housing Infrastructure Fund: £291m was secured to fund upgrades to the Docklands Light Railway network that unlock dependent housing development.
and TfL will carefully consider and review the staging and phasing of schemes, their prioritisation, and the appropriate phasing of new development.

76.19 Policy T4 requires development proposals to assess their transport impacts and ‘to integrate [them] with current and planned transport access, capacity and connectivity’ (Part A), recommending appropriate phasing of development (paragraph 10.4.3), and if necessary, planning permission that is contingent on the suitable transport infrastructure being in place (Part D). Similarly, Policy D6 requires Development Plans to assess the ability of existing and planned infrastructure to support new development, and where a deficit is identified, ‘...ensure that sufficient capacity will exist at the appropriate time’ (part B3).

76.20 While the London Plan provides the strategic direction regarding the schemes that are necessary to deliver sustainable growth, Opportunity Area Planning Frameworks, other area-based strategies, local plans and infrastructure delivery plans, can also play an important role in considering the issue of ‘timely delivery’ of transport infrastructure in greater detail. The Mayor and TfL will utilise their strategic planning functions to aid preparation of these where appropriate.

76.21 Finally, while improving transport capacity and connectivity will clearly be part of the solution for supporting new development, this can be complemented by making better use of existing infrastructure, for example through managing demand and spreading out the morning and evening peak periods. This could reduce or defer the need for additional capacity along certain routes, helping to ensure that the necessary transport infrastructure is in place over the course of the Plan period. This approach ensures that both new development and the necessary supporting transport improvements can be delivered in a timely fashion as proposed in the draft Plan.