

PARLIAMENTARY DEBATES

HOUSE OF COMMONS
OFFICIAL REPORT
GENERAL COMMITTEES

Public Bill Committee

INFRASTRUCTURE BILL [*LORDS*]

Second Sitting

Tuesday 16 December 2014

(Afternoon)

CONTENTS

CLAUSES 2 and 3 agreed to.

SCHEDULE 2 agreed to.

CLAUSES 4 to 13 agreed to.

Adjourned till Thursday 18 December at half-past Eleven o'clock.

Written evidence reported to the House.

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The Committee consisted of the following Members:

Chairs: MR JIM HOOD, †SIR ROGER GALE

- | | |
|---|--|
| † Blackman-Woods, Roberta (<i>City of Durham</i>) (Lab) | † Parish, Neil (<i>Tiverton and Honiton</i>) (Con) |
| Browne, Mr Jeremy (<i>Taunton Deane</i>) (LD) | † Raynsford, Mr Nick (<i>Greenwich and Woolwich</i>) (Lab) |
| † Burden, Richard (<i>Birmingham, Northfield</i>) (Lab) | † Ruane, Chris (<i>Vale of Clwyd</i>) (Lab) |
| † Burt, Alistair (<i>North East Bedfordshire</i>) (Con) | † Rudd, Amber (<i>Parliamentary Under-Secretary of State for Energy and Climate Change</i>) |
| † Coffey, Dr Thérèse (<i>Suffolk Coastal</i>) (Con) | † Shannon, Jim (<i>Strangford</i>) (DUP) |
| † Greatrex, Tom (<i>Rutherglen and Hamilton West</i>) (Lab/Co-op) | † Whitehead, Dr Alan (<i>Southampton, Test</i>) (Lab) |
| † Hayes, Mr John (<i>Minister of State, Department for Transport</i>) | † Williams, Stephen (<i>Parliamentary Under-Secretary of State for Communities and Local Government</i>) |
| † Heaton-Harris, Chris (<i>Daventry</i>) (Con) | † Zahawi, Nadhim (<i>Stratford-on-Avon</i>) (Con) |
| † Jenrick, Robert (<i>Newark</i>) (Con) | |
| † Jones, Graham (<i>Hyndburn</i>) (Lab) | David Slater, Marek Kubala, <i>Committee Clerks</i> |
| † Kwarteng, Kwasi (<i>Spelthorne</i>) (Con) | |
| † Miller, Andrew (<i>Ellesmere Port and Neston</i>) (Lab) | |
| † Newmark, Mr Brooks (<i>Braintree</i>) (Con) | † attended the Committee |

Public Bill Committee

Tuesday 16 December 2014

(Afternoon)

[SIR ROGER GALE *in the Chair*]

Infrastructure Bill [Lords]

Clause 2

AREAS AND HIGHWAYS IN AN APPOINTMENT

Amendment proposed (this day): 8, in clause 2, page 2, line 23, at end insert—

() Before appointing a strategic highways company the Secretary of State must consult all highways authorities in the area to be specified under section 1(a) responsible for roads in that area other than the roads specified under 1(b). This consultation must cover—

- (a) the structure of the new organisation;
- (b) the appointment of at least one non-executive director representing those authorities to the board of the new company; and
- (c) any other matter which the Secretary of State deems relevant.”—(*Richard Burden.*)

2 pm

Question again proposed, That the amendment be made.

Richard Burden (Birmingham, Northfield) (Lab): I welcome you to the Chair, Sir Roger.

I was mid-sentence when we adjourned and I am desperately trying to remember how the sentence ended. I am pretty convinced it would have ended with: I beg to ask leave to withdraw the amendment.

Amendment, by leave, withdrawn.

The Chair: I am satisfied that matters arising from the clause have been adequately debated. I therefore propose to put clause stand part to the Committee.

Clause 2 ordered to stand part of the Bill.

Clause 3

ROAD INVESTMENT STRATEGY

Richard Burden: I beg to move amendment 9, in clause 3, page 3, line 4, after first “the”, insert—
“joint social, economic and environmental”.

The Chair: With this it will be convenient to discuss the following:

Amendment 10, in clause 4, page 3, line 32, at beginning insert—

“In order to contribute to the achievement of sustainable development”.

Amendment 11, in clause 4, page 3, line 33, leave out “effect of” and insert—

“desirability of securing improvements through”.

Richard Burden: In the debate on the Bill so far, the need for the Bill and for Parliament generally to put the UK on course for a low-carbon, sustainable future has been very important for both Government and Opposition. Perhaps that was best summed up by my hon. Friend the Member for Stoke-on-Trent North (Joan Walley) on Second Reading. She said:

“the Infrastructure Bill should be the means whereby we balance economic development with environmental and social responsibilities.”—[*Official Report*, 8 December 2014; Vol. 589, c. 687.]

That should be a key purpose of the Bill.

The trouble is that the Bill comes nowhere near achieving that purpose. It contains provisions, which we will discuss later, that will water down standards for zero-carbon homes. There is no 2030 decarbonisation target, which the Labour party has committed to enshrining in law. There is no commitment in the Bill to use roads reform to achieve sustainable development.

The fact that such things are missing should not surprise us too much. I am not sure whether this is parliamentary language, but when we hear eminent people at the top of Government talking about ditching the “green crap”, we can see that there is some way to go to get the present Government to take our commitments to a low-carbon future as seriously as they should do. As for the recent much-vaunted autumn statement, the Chancellor did not mention climate change in it at all.

As I said on Second Reading, the days have gone—it is good that they have gone—when it was thought instinctively that anyone interested in a low-carbon future or in looking at sustainable development should, by definition, be against all road building, improvement of roads or the motor vehicle itself. Things are not as simple as that. From ultra-low-emission vehicles and electric cars to research and development into hydrogen fuel cells, the innovation of the automotive sector means that we are now credibly looking at a future of zero tailpipe emissions from the industry. On road resurfacing as well, there are things such as two-layer porous asphalt, which can substantially reduce noise pollution. In spite of great and massive innovation in such areas, the reality remains that road-based transport still poses a significant environmental challenge now and, perhaps more importantly, in the future.

Transport still makes up a quarter of the UK’s total emissions, and road transport accounts for the majority of that, at about 90%. Vehicle emissions also cause major problems for air quality, which are not only theoretical ones; it is now estimated that problems with air quality in this country could kill up to 29,000 people a year down the line. The road investment strategy may set a target for zero breaches of air quality regulations by 2040, which is good, but we are not compliant now. As the Government were recently told in a European ruling, we need to take urgent action.

The Environmental Audit Committee recently recommended that the Bill needs a clause to insert a legal duty to protect air quality. That is why it is imperative for the new company to have a clear purpose and duty to meet social, economic and environmental objectives, and to help put the UK on course to develop in a sustainable way.

The Government have accepted the need to put the company’s duty to consider the environment on a statutory footing, which is welcome. It is also welcome that the road investment strategy contains important targets

and funding commitments on noise, low-emission vehicles and air quality. However, it also puts huge faith in the shift in the vehicle parc to achieve our legally binding climate change targets. It does not seem to be looking at managing demand or giving greater priority where appropriate to forms of transport other than the private motor car.

It says that the company's aim is to "limit, and even reverse" environmental damage that the strategic road network can have. When the Department's own forecasts say that emissions are due to increase in the 2030s, due to expected traffic growth, is it not time to start thinking about improvements? The amendment proposes that the Government have a clear role in achieving sustainable development. I am defining that as encouraging economic growth while protecting the environment and improving the safety and quality of life for current and future generations.

For the economy, that would mean ensuring that roads support productivity and competitiveness, and deliver the right solutions for the UK's economic geography as a whole. That includes improving connectivity between and within regions, strengthening east-west connectivity and supporting agglomeration in cities.

For the environment, that would mean some ambitious thinking to cut CO₂ emissions, reduce noise and air pollution, and improve the landscape and biodiversity. It may also mean having a proper review of the Department for Transport's traffic forecasts, which historically have not proved to be hugely accurate, often overestimating traffic. We need to determine how we can best invest to promote sustainability.

Although the Government are not talking about it, they seem to have ended their opposition to targets for road safety, which I welcome. They have set an important goal in the Bill to cut deaths and serious injuries by 40% on strategic roads by 2020. We are saying that, although that is welcome, we should set out our long-term aim for zero fatalities across the road network. That is not unprecedented as other countries have set that kind of target.

I look forward to the Minister's response. He may say that the duty of the company will be to comply with sustainable development and that compliance requirement will be in the licence. However, I do not think that is enough. In the other place, Baroness Kramer said that the Government did not want to put the words in statute as they are effectively a transport strategy and policy choice.

I do not agree. Are we saying that the mechanisms for achieving economic growth, environmental sustainability and quality of life may be policy choices and strategies? The principle of achieving those things is not a policy choice but an imperative. Section 110 of the Localism Act 2011 is entitled:

"Duty to co-operate in relation to planning of sustainable development".

I do not see any reason why we are not planning land use and highways with the same objectives in this Bill. As my right hon. Friend the Member for Doncaster North (Edward Miliband) said recently, in past four years the political consensus that we thought was developing around sustainability has been undermined. If the Government were to accept the amendment or something like it, they would show that, although the consensus on sustainability has been a little shaky in the past four years, it has not completely disappeared.

The Minister of State, Department for Transport (Mr John Hayes): We look forward to your benevolent chairmanship, Sir Roger, and I welcome you to the chair in that spirit. T. S. Eliot, the great intellectual, said:

"It's not wise to violate rules until you know how to observe them."

No doubt, you will be following that line of argument yourself during our proceedings.

I understand why the amendment has been tabled. It is important that in all our considerations we take account of the impact on the environment in the broadest terms. It is absolutely right that the road investment strategy does so, which is why we placed a duty in the strategy to take account of environmental and safety concerns—indeed, they have become requirements that must be considered.

The recently published documents clearly show how the strategy will meet the nation's social, economic and environmental aspirations. Those aspirations flowed into the objectives we set for Highways England and the strategic road network in the strategic vision, the investment plan and the performance specification documents.

I was looking at those documents while the hon. Gentleman was speaking. He will be familiar with them. They were published alongside the strategy document, and they make it absolutely clear that:

"The Company will need to demonstrate that it is playing its part in helping reduce carbon dioxide, and other greenhouse gas emissions, in line with current and future government targets."

They go on to clarify—the hon. Gentleman noted this, to be fair—that the Government's objectives are that by 2040, there should be:

"Zero breaches of air quality regulations and major reductions in carbon emissions across the network"

and

"Improved environmental outcomes, including a net gain in biodiversity from the Company's activities."

We have been crystal clear that these matters lie at the heart of all we do and that one cannot consider infrastructure investment of this kind without considering its environmental footprint more broadly.

In my earlier remarks, which I will not rehearse—I know you would be excited if I were to do so, Sir Roger, but you will be able to check this in *Hansard*—I said that a new series of aesthetic considerations should focus on the design and quality of what we build, which are crucial environmental considerations. The difference we make to how the place in which we live looks and feels is vitally important. The general duty is on the face of the Bill, as the hon. Gentleman acknowledged. Therefore, it is not only in the performance specification and the licence, but in primary legislation. For all those reasons, amendment 9 is unnecessary.

I, too, looked at the speech of the hon. Member for Stoke-on-Trent North, whose views on such things I greatly respect. As chairman of the Environmental Audit Committee, she recently looked at air quality, and I gave evidence to that Committee prior to its report. In her Second Reading speech, she cited the evidence of the Woodland Trust, whose work I acknowledge and welcome. It called for environmental considerations to be placed at the core of the Strategic Highways Company. I assure the Woodland Trust, the hon. Lady and this Committee that those considerations will indeed be placed at the heart of the process.

[Mr John Hayes]

The Woodland Trust also called—I know this is the hon. Lady’s view—for performance against those objectives to be monitored and “overseen”. I can give that assurance too.

2.15 pm

As the hon. Member for Birmingham, Northfield knows, we are doing all kinds of things to support the objectives that I set out. We are investing £5 billion, which will help to connect housing, enterprise zones and other industrial developments to help economic growth. We are investing £250 million for cycling, safety and integration, improving safety and facilitating travel alongside and across the SRN, and we have set clear environmental commitments on reducing biodiversity loss and noise pollution, as well as securing Highways England’s support in tackling carbon emissions and air quality issues. Those are just some of the things that I could list.

Richard Burden *rose*—

Mr Hayes: I was about to invite the hon. Gentleman to withdraw his amendment but I think that he may be going to anticipate the invitation.

Richard Burden: I am grateful to the Minister and I accept that the importance of ensuring environmental sustainability is mentioned and stressed, in many ways, in the RIS and in other documents. However, what was said in the other place worries me. There is going to be a duty in the licence but, in the other place, Baroness Kramer said that she did not think that it was appropriate to have that duty on the face of the Bill because it was effectively a policy choice and a strategy. I think that there is a difference between those. If the Minister says that there is not a difference, I would be pleased to hear that. If the Localism Act was able to promote, on the face of the Bill, a duty to co-operate in relation to the planning of sustainable development, that is pretty much what our amendments are about. Maybe the wording of the amendments could be improved or changed. I fully accept that; we are in Committee, not on Report. We would like to see something on the face of the Bill that puts at centre stage that that is an objective of the legislation, not just a desirable outcome of particular Government policies.

Mr Hayes: To return to the point that the hon. Gentleman made about what is on the face of the Bill, he will know—I have the Bill in front of me—that clause 3(5)(a) says quite clearly,

“In setting or varying a Road Investment Strategy, the Secretary of State must have regard, in particular, to the effect of the Strategy on (a) the environment, and (b) the safety of users of highways.”

So the fundamental duty is, indeed, set out on the face of the Bill. I will turn to the specific issue of sustainable development when I come to amendments 10 and 11. I agree, in essence, with the hon. Gentleman that the company will have an important role in contributing to the achievement of sustainable development. In setting up the Highways Agency as a Government company, we must take the opportunity to ensure that its good

work in contributing to sustainable energy continues and improves. That is why the licence that we are putting in place for the company already includes a clear requirement to conform to the principles of sustainable development. Therefore, the duty to have regard to the effect of the environment is on the face of the Bill, and the emphasis on sustainable development is in the licence. I do not think that there is much difference between us on the matter. Specially, that requires the company to balance a range of factors in meeting the long and short-term needs of the network.

The factors identified in the licence are supporting national and local economic growth; protecting and improving safety; protecting, managing and enhancing the environment; seeking to improve quality of life for road users and communities; and ensuring efficiency and value for money. What that does for the first time—this is very much in line with my view of such things—is to place well-being at the heart of considerations about road development.

I spoke earlier—I was going to say “eloquently” but that is for others to vouch for—about the need to take a slightly broader view of the effect of road investment beyond the utility that it clearly offers. Part of that is about understanding the significance of its effect on well-being. That is now, in the terms that I have described, at the heart of what we are trying to achieve. There are also further requirements in the licence on safety and the environment, which are set out specifically in the context of sustainable development and value for money.

On safety, the licence requires that the company seek to ensure the best possible safety outcomes across its activities, while working in the context of sustainable development and delivering value for money. On the environment, the licence requires the company to ensure the best practicable environmental outcomes across its activities. The company will also be required to prepare and publish route strategies for the network as the primary source of evidence for the development of future road investment plans. The licence specifically requires the company to fulfil this requirement by taking account of, for example, adjacent road and other transport networks and local plans for economic growth or housing development, and it must have due regard to these when planning and carrying out its activities. Again, the licence will have legal force. As such, the Government do not consider the amendments necessary.

So, in the spirit we have thus far conducted our affairs, I do not think there is a difference in objective between us. It is absolutely right that all we set out in terms of the strategy should be in the context of those wider public policy considerations and wider measures of efficacy. The environment—both local and more generally—and safety are central to any such consideration, but we have already taken vital steps towards meeting that objective. On that basis, I invite the hon. Gentleman to withdraw his amendment.

Richard Burden: The Minister is correct that as far as the licence and the guidance are concerned, the objectives that he mentioned are pretty clear, which is to be welcomed. However, we are concerned about what is in the Bill. He is right to mention that clause 3(5) talks about the importance of the company and the road investment strategy having regard to

“the effect of the Strategy on—

- (a) the environment, and
- (b) the safety of users of highways.”

It should be about more than simply having regard to the effect of that strategy. It should be about having a specific duty to try to improve and contribute to the protection of the environment. We will come back to this matter. I hope the Minister will reflect on it before Report so that we can come up with a form of words to meet some of the objectives. I will not press the amendment to a vote at this stage, but I think he understands what we are getting at. For now, I beg to ask leave to withdraw the amendment.

Amendment, by leave, withdrawn.

Richard Burden: I beg to move amendment 12, in clause 3, page 3, line 7, at end insert—

- “(c) the anticipated impact of the Roads Investment Strategy upon the condition and development of the local roads network and local transport provision;
- (d) the anticipated impact of the Roads Investment Strategy on links with other nationally and regionally significant transport and infrastructure projects, including ports and airports; and
- (e) the anticipated impact of the Roads Investment Strategy on the growth plans of city regions and sub-regional bodies.”

The Chair: With this it will be convenient to discuss the following:

Amendment 13, in schedule 2, page 82, line 23 after “and”, insert—

- “(i) how that strategy is expected to impact upon the condition and development of the local road network and local transport provision and the growth plans of city regions and sub-regions;
- (ii) how that strategy is expected to impact on the growth plans of city regions and sub-regional bodies;
- (iii) how that strategy is expected to impact upon the condition and development of links with other nationally and regionally significant transport and infrastructure projects, including ports and airports; and
- (iv) an assessment of the structural condition of the strategic and local road networks.”

New clause 4—*Walking and cycling*—

‘Within six months of the day on which this Act is passed, Her Majesty’s Government shall lay before Parliament a strategy which establishes long-term commitment and funding to increase rates of walking and cycling, including in the planning of infrastructure projects.’

New clause 5—*Route Strategies*—

‘(1) The strategic highways company shall produce route strategies for all highways under its control (“specified highways”) and shall ensure such strategies remain up to date.

(2) In deciding how to divide up specified highways into route strategies, the strategic highways company shall have due regard to local government boundaries and travel to work areas.

(3) Route strategies shall consider—

- (a) other transport modes, including railways and port facilities, that are served by specified highways or run parallel to them;
- (b) the interaction between specified highways and other highways;
- (c) opportunities to secure the expeditious movement of people and freight; and

- (d) opportunities to reduce environmental impacts.

(4) The strategic highways company must—

- (a) carry out such consultation, and arrange for such publicity, as the strategic highways company thinks appropriate in relation to a route strategy;
- (b) consult such persons, and such descriptions of persons, as may be prescribed;
- (c) have regard to the responses to the consultation and publicity in deciding whether to proceed with a route strategy.

(5) In setting or varying a Roads Investment Strategy, the Secretary of State shall have due regard to route strategies.

(6) The Secretary of State may make regulations about route strategies.’

Richard Burden: There is quite a lot in this group of amendments and new clauses. This morning we touched on the question of linking up and sorting out local and strategic roads and different modes of transport. Amendments 12 and 13 enable us to raise a similar set of issues. Neither our local or strategic roads, nor our modes of transport as a whole, is planned or managed as effectively as it could be. New clause 5 is about providing the vehicle by which we hope that process can start to happen. It is also about providing assurances that that process will take place. If there is to be a major devolution of power and funding within England—today is perhaps an appropriate day to mention this—there is an urgent need to think about such issues.

The Opposition are committed to devolving £30 billion-worth of funding for transport, housing and skills. In the case of transport, we want to give London-style powers over public transport and transport planning to strong city and county regions. The Greater Manchester deal and the experience of Transport for London over the past decade show what can be done if we get things linked up in the way that they should be. There is a huge opportunity for joined-up transport planning to support local economic growth. Joined-up planning can radically change the structure and performance of cities and regions and improve people’s day-to-day journeys.

If that happens, it also means that traditional boundaries between city, municipal, strategic and local road networks and other transport systems will start to blur, and rightly so, because that is the reality of the world. What we are considering today—both the road investment strategy in general and, more particularly, the relevant provisions of the Bill—is still a pretty centralised roads programme, developed largely in the DfT and the Highways Agency and set to be delivered by an arm’s length company aiming to meet a five-year performance specification.

I urge hon. Members to look at the road congestion map on page 35 of the strategic vision for the RIS. It shows that by 2040, entry into city regions, and in some cases exit from them, will often come to a standstill. City regions are preparing 20-year growth strategies. What assurances do we have that the plans for the strategic road network, which are fundamental to the success of those strategies, are being developed in parallel with them? We need some fundamental standards to be set out in the Bill, to ensure that the Government’s national road investment plan will support our cities and regions to grow in the future. This group of amendments is about trying to achieve that.

[Richard Burden]

New clause 4 is about walking and cycling. It specifies:

“Within six months of the day in which this Bill is passed, Her Majesty’s Government shall lay before Parliament a strategy which establishes long-term commitment and funding to increase rates of walking and cycling, including in the planning of infrastructure projects.”

We have now had some clear guarantees from the Government, which I welcome.

Chris Ruane (Vale of Clwyd) (Lab): Will my hon. Friend give credit to the National Assembly for Wales and to the Welsh Government, who have completed 100% of the coastal footpath around Wales, whereas only 8% of the footpath around the coast of England has been built?

Richard Burden: I will gladly pay tribute to them. A lot of what is happening in Wales is positive. The rest of the United Kingdom needs to be prepared to examine the idea of active travel legislation, which the Welsh Assembly and the Welsh Government are pioneering. We need to see whether we can adopt the same models. The point of new clause 4 is to put into the Bill the objective of doing just that.

The Government say these days that they consider pedestrians and cyclists to be users of the strategic road network. I welcome that, because often in the past pedestrians or cyclists have not been mentioned at all in relation to the SRN. When they have been mentioned, it has all too often been in a kind of tick-box at the end—they have to be mentioned, so they just appear in a list that does not mean much. It is good that the Government say that they consider pedestrians and cyclists important, and that the watchdog, which we will talk about later in Committee, will be able to advocate on their behalf. In the road investment strategy, £100 million is ring-fenced for about 200 cycling schemes, which should deliver more segregated cycle paths alongside trunk roads and safer junctions and crossings.

2.30 pm

Those things are welcome, but neither of them adds up to the long-term commitment to walking and cycling that we really need to see across the UK. There is a danger that the Bill is the start of another round of stop-start investment in cycling infrastructure, and will not provide the certainty that we need in order to plan and invest in active travel in the future. Local bodies, cities and regions need predictable and continuous funding so that they can plan and invest in the street and road schemes, the maintenance and the promotion and education programmes that are needed to make walking and cycling an easy and safe option for shorter journeys. Local authorities need certainty and confidence for investment, just as the Highways Agency and the supply chain need certainty.

Unfortunately, the Government’s record in this area is similar to their record on strategic road investment. As well as scrapping the £4 billion-worth of plans for the Highways Agency in 2010, they axed Cycling England and its £60 million annual budget. We have seen some quite extraordinary fluctuations in the budget for walking and cycling, and we know that one-off funding announcements for a number of cities do not mainstream active travel for the UK as a whole, which is what needs to happen.

Despite the Government’s claims to have doubled funding for cycling in this Parliament, a lot of that spending seems to be smoke and mirrors. They have top-sliced the local sustainable transport fund money provided to Bikeability and double-counted money from the scrapped Cycling England. With local authority budgets having been slashed by a third under this Government, the research that we have done has shown that half of councils have had to cut spending on walking and cycling since 2010.

I do not need to remind the Committee of why a long-term funding commitment is so urgently needed. Just 2% of journeys are made by bike in the UK, and walking trips continue to decline. If we can increase that percentage and start to catch up with the levels that we see in some other European countries, the benefits for all will be clear. The national health service will save billions of pounds. It will help reduce emissions and cut air pollution, and it will tackle the congestion in our towns and cities in a really positive way. It will also maximise strained resources. The Department’s recently published research shows that investing in cycling and walking provision is highly cost-effective. The typical benefit-cost ratios for cycling and walking are over 5:1. Typical road schemes are normally at about 2:1, which is classified as good, or 4:1, which is classified as very good.

Are things about to change? Are we moving in the right direction? I do not really think that we are. After a year of delay, we now have the draft of a Government cycling delivery plan. When it was published and called a “delivery plan”, a number of cycling organisations and walking campaigners said that it would be better called a “derisory plan”. I thought that was a bit unfair, but they made their point powerfully. What they were getting at—and they were right—is that the delivery plan contains no ambitious targets to increase cycling in the future, and it includes an aspiration for funding rather than a commitment to it. As far as I can see, the DFT does not have any form of budget line at all for walking and cycling, and it does not have any long-term commitment beyond the end of the local sustainable transport fund, which is due in 2016.

When Ministers are questioned about the subject, they often say that it is “a local matter”, and that there is enough money in the local growth fund for local enterprise partnerships to invest in cycling and walking. However, from responses to parliamentary questions that I and other hon. Members have tabled, we know that walking and cycling will get just 4.1% of LEP transport spending over the next six years. That is £127.3 million out of a total £3.1043 billion pounds. Only 14 of the 38 LEPs plan to spend anything at all on walking and cycling, and more than half of all planned walking and cycling expenditure by LEPs is concentrated in just two LEPs: the south-east, with £45.1 million pounds, and the west of England. That means that, if we exclude the south-east and the west, spending on walking and cycling by LEPs over the next six years will account for just 2.3% of transport expenditure—2% of funding for 2% of journeys. If we are to change that reality and get Britain walking and cycling, we need a real Government strategy and long-term, predictable funding to make it happen. We have got that for rail, and if the objectives of the Bill are followed through, it appears that we will have it for roads. New clause 4 would establish it for types of travel that are just as important, although different—walking and cycling.

New clause 5 is about route strategies. It takes up similar themes to the other amendments and new clauses, which is presumably why it has been grouped with them. I spoke earlier about the need to for new mechanisms to get the strategic road network planned alongside local road networks and merged with it in a joined-up way. Hon. Members will know that in exactly the same way, we need to improve the links between different modes of transport. All too often, investments in road, rail, ports and airports seem to be made in silos, so the effectiveness of any of them is not maximised. We see a port struggling to fulfil its potential for imports and exports because it does not have the necessary surface access. We end up with a new road or bypass when a local transport solution might have been more effective and less environmentally damaging.

On Second Reading, the Minister affirmed how route strategies, which are described as the building blocks of the RIS, should be the vehicle for a new type of joined-up thinking. We agree that they can potentially play a really important role. Thinking about routes, regions and corridors, rather than modes, is absolutely vital if we are to deliver improvements for passengers and freight. The route strategy process will also provide a crucial opportunity to ensure that the strategic road network delivers what is needed at a city, regional or sub-regional level, which I will talk about when we reach the next group of amendments. However, although the idea is good, the experience to date has been patchy at best.

In my own city region area, the passenger transport executive has been involved in no fewer than five separate route strategies, all of which have an impact on Birmingham and the West Midlands. Some of existing route strategies do not even include parallel railway lines on their maps of roads, and when the Select Committee on Transport looked into the matter, it heard clear calls for route strategies to include an examination of proposals for the strategic road network as part of a wider transport system. New clause 5 is about making that process statutory and setting some parameters for how it should work. That includes ensuring that the strategies consider solutions across the transport network, and enabling the Secretary of State to prescribe which bodies involved in passenger and freight movement will be consulted. As the Institution of Civil Engineers said recently:

“Without better public engagement on infrastructure, there remains a risk that it just won’t be delivered”.

It may be that, in responding to the new clause, the Minister will say, “Good point, we will deal with it in guidance.” If he does say that, I will welcome it.

2.39 pm

Sitting suspended for a Division in the House.

2.54 pm

On resuming—

Richard Burden: Before the break we were talking about route strategies. The purpose of new clause 5 is to ensure that the objectives and the intention of those strategies are delivered in practice and that that feeds through into proper, joined-up work and integration between different modes of transport. The RIS affirms that innovation has the potential to tackle congestion on the strategic road network. The way it puts that is really interesting. It states:

“More strategically positioned park and rides, greater numbers of high volume vehicles, such as coaches, and better integration with the passenger, rail and freight network”

would enable this to happen. That is really good, but when we look at the RIS for 2015 to 2021, that does not seem to be delivered by the proposed schemes. That is why we want to make sure that that does not happen again. We want this kind of thinking to be mainstreamed inside the Department and the new company: that is why we want it to be included in the Bill.

It may be that new clause 5, as it stands, is not the finished article; it may be that there are other ways of firming up the route strategies and getting them mainstreamed into the thinking rather more. The Minister may want to come back with some new suggestions, but the principle is about getting a bottom-up process started and getting a joined-up planning process for transport infrastructure happening in practice. As for the other proposals in this group of amendments and new clauses, we feel strongly about the kinds of things that are mentioned in the amendments and about the promotion of active travel in new clause 4.

We have just returned from a vote in the Chamber, where I understand a Labour proposal was put forward. As I walked through our Lobby I heard Government Whips saying, “You do not need to vote on this.” That is fine: it achieved a result. If it happens in exactly the same way in this Committee, I, for one, will be very happy.

The Chair: For those who have not served under my chairmanship, let me make it plain that we can have a clause stand part debate either at the beginning of a debate or at the end, but we cannot have both. Looking at the number and scope of the amendments, it is fairly apparent that by the time we have got through this lot, the clause will have been sufficiently debated and I shall almost certainly not be minded to grant a stand part debate at the end. I give hon. Members that caution now, in case any Member wants to raise something that does not fall strictly within the scope of the amendments that have been tabled.

Mr Brooks Newmark (Braintree) (Con): I shall be brief, Sir Roger. I am delighted to speak under your chairmanship. I shall focus on amendment 12, which has to do with the road investment strategy, in particular the linking of airports and ports. The Minister will join me in congratulating Essex county council which, at the end of last week, committed to pledging £5 million towards kick-starting a consultation study of a design to dual the A120, not only between Braintree and Marks Tey, which is an 11-mile stretch, but linking Stansted airport to the port of Harwich. Unfortunately, there is a pinch point between Braintree and Marks Tey, which is not dualled. If we are to have a road investment strategy, as we are talking about at the moment, it is very important that we declog areas where there are such pinch points.

It is interesting to know that the place where one comes off the dual road into Braintree from Stansted airport is officially called Galleys Corner, but local people know it as cholesterol corner. It is not merely because traffic is clogged there, but also because we have the local Pizza Hut, McDonald’s and KFC there.

3 pm

If we are to try to continue to regenerate this part of England and this part of the county, it is important that we have a proper road investment strategy. When I first came to the House, my very first Adjournment debate was on the dualling of the A120. That was back in 2006, and we are still talking about it today. I am absolutely delighted that Essex county council has finally said that it will put its money where its mouth is by committing that £5 million. I particularly want to pay tribute to the leader of the council, David Finch, as well as the leader of Braintree district council, Graham Butland, and of course Rodney Bass, who is in charge of highways and transport.

This is an important issue in our area. I know that I am joined by my hon. Friends the Members for Witham (Priti Patel) and for Harwich and North Essex (Mr Jenkin), as well as the hon. Member for Colchester (Sir Bob Russell). It is a cross-party issue, and it is very important that we look at it. I am highly sympathetic to paragraphs (c), (d) and (e) of amendment 12, which was tabled by the hon. Member for Birmingham, Northfield. However, I must say that, with the support of the Government, Essex county council is using its own initiative to address that point. We do not need more top-down instruction on what to do.

I urge the Minister to lend his weight to this important project. We are also looking for support regarding EU funding. A bit of Government support for that extra funding to kick-start what will probably be a £300 million project to dual this small amount of road is important. I will not say much more except to congratulate Essex county council on kick-starting this important project. I ask the Minister to put his full weight behind the initiative to dual the A120 between Braintree and Marks Tey.

Mr Hayes: Not for the first time in this Committee, I congratulate my hon. Friend on his advocacy of his constituents' interests and, indeed, his celebration of the work of Essex county council. It is the second time we have celebrated Essex. We shall be celebrating Lincolnshire more liberally, and I will try to mention Kent if I get the opportunity to do so. As my hon. Friend was waxing lyrical about that particular junction, he took me back to my own Pizza Hut and KFC years. Those were preceded by my kebab years and followed by my Frankie and Benny's and Pizza Express years, which I am still enjoying, not least due to my young sons, who like to frequent those establishments. From that romantic journey, we head speedily with your indulgence, Sir Roger, to the amendment.

Chris Ruane: The right hon. Gentleman paid tribute to two English councils. Will he pay tribute to the Welsh Government for the work that they have done on footpaths around the coast of Wales, which are now 100% connected? In England, only 8% are.

Mr Hayes: I am very fond of Wales, and not only because of the hon. Gentleman. I think of Shirley Bassey, Tom Jones and all those wonderful popular cultural icons who have sprung from the same soil from which he comes. However, I will not be taken down that tributary because you will chide me, Sir Roger, if I do not address the matters before us in the form of the amendments.

Chris Ruane: Will the right hon. Gentleman pay tribute, down the tributary, to the Welsh Government?

The Chair: Order. I know that some feel that Christmas cards are expensive, but if we go through all the Christmas cards on everyone's lists, we shall never get through the Bill.

Mr Hayes: Indeed. That is true, Sir Roger. To that end, let me deal with the amendments tabled by the hon. Member for Birmingham, Northfield. They would essentially affect how the road investment strategy is created and what it contains. I sympathise with a number of the sentiments, as I will make clear. However, I am not sure that they are needed and, in one or two cases, they might be counter-productive.

I turn first to amendment 12, which asks us to do things that are either beyond the remit of the company and the road investment strategy, are already required, or contain a level of detail that does not need to be specified in legislation. For example, the hon. Member for Birmingham, Northfield suggested that the road investment strategy specify how it will impact on other transport modes. We have already set that out in the RIS documents that we published just two weeks ago, and we are upgrading links to five key airports, including Birmingham, helping 10 major ports, and facilitating the production of HS2.

I described myself as sympathetic to the sentiments behind the amendment, because I fully understand and appreciate that what is often described as a multi-modal solution to transport is an important consideration when looking at strategy. We can hardly have a strategy that looks long into the future that does not look laterally as well. I think there has been an underestimation of that in Government thinking in the past, and an underestimation of the relationship between different kinds of policy and investment across different modes of transport. However, I am not sure that the amendments in the form they have been tabled, as the hon. Gentleman rather generously acknowledged, do the job that we need them to.

Let me say what I think we can do. There is a duty in the licence—I think all members of the Committee will be intimately familiar with the draft licence document—and the hon. Gentleman will be familiar with paragraph 5.23(c), which discusses the evidence base, and says that the new body should

“prepare and publish route strategies for the network, taking account of relevant plans and developments concerning road and other transport networks, wider developments and government policy, and have due regard to these when planning and carrying out its activities.”

By referring to “other transport networks” and “wider developments,” we emphasise the lateral approach that the hon. Gentleman's amendments attempt to address. Perhaps we could go further and be more specific, but I am not sure that we would want to do so in the Bill.

There is an argument, as this document develops, for speaking about what those wider developments might be. I am minded to consider the relationship between roads and ports, for example. As the maritime Minister, hon. Members will understand that I have a certain prejudice in that respect. None the less, when I visited a number of ports they emphasised that it was of vital importance that transport links to the ports were in good order. There may be an argument for fleshing that out, but the essence of what is needed is in the licence.

The role that route strategies play in part 6 of the licence, which sets out the basis for future investment, is also clear. Paragraph 6.8(b) says that in setting the road investment strategy there should be consultation with, and account taken of

“the views of relevant local and national stakeholders, including through the programme of route strategies, as required at 5.23(c)”, which I raised earlier. It is both about setting the strategy and its development. As such, the importance of other transport modes are written into our thinking.

We have also considered, and the hon. Gentleman made reference to this, how the road investment strategy will support the growth of our cities. That is exactly why we have allocated £5 billion to be spent on 50 schemes to help to connect housing sites, enterprise zones and other industrial developments. Given how important that point is and how central it is to the first road investment strategy, something similar will undoubtedly be done for future strategies, which will be reinforced by the points I am about to make about route strategies and strategic studies.

As we analysed the investment options for inclusion in the road investment strategy, we accounted for the overall transport impacts on other networks, including local highways. It would not be appropriate for the strategy to have to undertake a detailed analysis of the impact on the condition of local roads or other networks, as that would impinge on the responsibilities of local highways authorities and would be a huge resource requirement that would cause confusion in the roles of central and local government. At the very least, it would lead to considerable duplication. It is right that local government considers the condition of local roads. As a former county councillor, I take the role of county highways authorities very seriously.

In addition, with the Government setting out a long-term investment plan, and Highways England producing a more detailed delivery plan, local highway authorities will have ample opportunity to sequence their own plans to align with, and take advantage of, the company’s plan.

I have been thinking about this matter over my rather lovely Christmas lunch—I took some of the staff in my Department out for lunch.

Chris Ruane: Was it KFC or Pizza Hut?

Mr Hayes: It was an early Christmas lunch, but it will not be my last—it was a preliminary lunch, as it were.

I was thinking about this matter, and there may be an argument for building it into our thinking more structurally. The opportunity I have described for local highways authorities to align their plans with the strategy will partly depend on their having the wit and will to do so, but we might be able to make it easier for them. There may be a mechanism that we can consider that will allow them to feed in their own thinking and will make the new body responsive for building that thinking into its plan. Some of that will happen naturally, but there is an argument for providing a catalyst for that kind of approach. On the basis of that additional assurance, and given what I said about its being built into the licence document, I hope the hon. Member for Birmingham, Northfield will withdraw his amendment.

Amendment 13 seeks to do what the hon. Gentleman’s previous amendment sought to do but from a different angle. Rather than set out what the road investment strategy must contain, he is attempting to include it in the Secretary of State’s proposals for a future strategy. As with the hon. Gentleman’s previous amendment, I do not think it is needed. It will create an unnecessary additional burden—

Chris Ruane: Richard Burden.

Mr Hayes: That was not deliberate, but I wish it had been.

The hon. Member for Birmingham, Northfield understandably devoted a good deal of time to discussing cycling and walking. It is perfectly reasonable to argue that we should take proper account of cycling and walking in our broader considerations of how future transport supply and demand will develop. I wholly agree with the hon. Gentleman about that. In the road investment strategy, we included £250 million for cycling, safety and integration, £100 million of which is for cycling, in particular. There is an additional fund of £100 million for air quality and £300 million for environmental considerations, including £75 million for noise reduction. We are enthusiastic about cycling.

The hon. Gentleman mentioned the document that we recently published, and he ascribed criticism of it to others—I thought that was an elegant piece of politics. It is important to say that the Government, in setting out our plans for cycling, announced £94 million of cycling ambition grants to promote cycling across England. The Government plan to double cycling, where cycling activity is measured as the estimate of the total number of bicycle stages made each year, and to increase the percentage of children aged five to 10 who usually walk to school from 48% in 2013 to 55%. The Government, both in the funding that they are allocating and the ambitions that they have identified, are just as keen to promote cycling as the hon. Gentleman is.

3.15 pm

I have seen my own children walk to school—their primary school is local to me—and I observe how many of their contemporaries cycle to school. Cycling to school was once routine—most of us probably cycled to school—but one can tell from the number of bike racks at most schools that that is less and less true. Simple things we can do to promote the way young people travel on such routine journeys could change the culture with respect to cycling and walking, and Governments need to do that. Hopefully, what we are setting out will contribute to that and deliver healthier, fitter citizens, less congestion, less demand on roads and so on. I agree with the hon. Gentleman about cycling and route strategies, but I do not think that his amendments are necessary.

The hon. Gentleman’s idea of including in our proposals a statement on the condition of the SRN is odd. Highways England, as the network operator, is better placed than the Government to understand the condition of the SRN. If we were forced to accept the amendment, we would end up in the bizarre situation of asking Highways England for information, just to hand it straight back. The paradox I described may not be his intention, but that might well be the effect of his amendment.

That said, I understand the importance of asset condition and appropriate asset management. That is why we have detailed our requirements on those issues in the performance specifications and the draft statutory direction and guidance.

I turn to new clause 4. The Government are committed to cycling. Government spending overall on cycling has more than doubled since 2010, compared with the final four years of the previous Administration: between 2011 and 2015, £374 million has been committed. Spend on cycling is about £5 a person each year in England and more than £10 a person in London and our eight cycling ambition cities.

I have made it clear that I want my town, Spalding, to become a major centre for cycling and I am working with my local newspaper, the *Lincolnshire Free Press*—I am happy to give it a plug—to achieve just that. Other hon. Members will want to take up similar campaigns in their localities, perhaps working with their local newspapers to promote cycling in that way. Where I lead, others frequently follow.

In November, the Deputy Prime Minister announced a further £114 million for the cycling ambition cities and, as I am sure hon. Members are aware—the hon. Gentleman mentioned this—in October we published our draft cycling delivery plan, which is a 10-year strategy on how we plan to increase cycling and walking. As part of that, we will set out how the Government, local government and businesses can work together collectively to achieve a long-term vision.

We will also publish a cycling infrastructure programme with the Active Travel Consortium by March 2016 and we will deliver that during the 10-year lifetime of the cycling delivery plan, supported by relevant investment in cycling from central Government and local government and businesses to reach the aim of £10 a head funding in England by 2021 or sooner.

Such work between local authorities and other agencies of government is essential if we are to deliver transformational levels of cycling and walking in different localities. The growth fund has made £3 billion available for local transport schemes. That long-term funding, which will run until 2020-21, includes a £700 million package for the development of schemes that include cycling and walking and which will be suitable for and sensitive to local areas' needs.

To meet our ambition to make the UK a cycling nation, other important measures are needed as well. For instance, we need commitment from local government leaders to recognise cycling and walking as crucial to the health of their localities, and we need to tackle safety issues and perceptions of safety. Earlier, I talked about cycling to school. A lot of the reluctance to do so, or to encourage our children to do so, involves perception of safety. Some of those issues can be tackled by good, locally-sensitive schemes—schemes that reflect local circumstances.

The Department for Transport has committed £1.5 million of funds to support the Active Travel Consortium to build capability in local government to deliver cycling and walking strategies, and for local authorities to deliver cycling and walking plans. Where cycling and walking are integrated with national networks, I would expect Government to be involved and I think it is important that, as the hon. Member for Birmingham,

Northfield implied, in developing major schemes, we expect the new body to take active consideration of cycling and walking. I want cycling to become a routine part of the considerations in all the developments.

I have just two or three other points about cycling to make before I finish. Part of the issue is about parking spaces for bicycles. I mentioned bike racks in schools, but it is true for stations and all kinds of other places. There has been some improvement in that over the past decade or so, but more could be done. Sometimes, very simple changes, such as building into planning directions adequate space to store bicycles close to where people live, can make a huge difference. Rather than wax still more lyrical about cycling—I think I have said enough about cycling to satisfy the Committee that I am enthusiastic about it and the Government are committed to it—I hope that the hon. Gentleman has found my explanation reassuring and will not press his new clause 4 to a vote.

Briefly, turning to new clause 5, through the draft statutory directions and guidance, I have made it clear that the route strategies are the key building blocks for the development of future road investment strategies. We have placed a duty of co-operation on Highways England in the Bill, which covers important stakeholders such as local highways authorities. In the other place, Baroness Kramer said that we would ensure that Highways England agrees with Ministers the process of how the route strategies will run and make that process publicly available.

I recognise concerns about integration across road networks and between modes. I share those concerns and will ensure that the company addresses them, including looking at some means, perhaps structural, by which it does so. I will certainly ensure that, as core element of the next round of the route strategies, those should require integration. It is absolutely right that that consideration should be made at the very outset as such measures are drawn up. We will do that so that that underpins the second round of route strategy developments. Those route strategies should consider how integrative modes and the interaction between different modes of transport affect outcomes. We will go further than that and ask them to consider how local and national networks interface; the effect of that interface is the point that the hon. Gentleman made earlier.

As we have seen with the route strategies that have been developed to date by the Highways Agency, the future process will involve the company working hand in hand with local traffic authorities, local enterprise partnerships and other interested stakeholders on the integration of national and local roads as part of the long-term planning of the road network and of delivering a seamless service for road users.

In the case of devolved city deals, I will ensure that the company works closely with the cities involved jointly to develop the relevant route strategies. The hon. Gentleman mentioned that. I will also ensure that the same approach is taken for the six new strategic studies being undertaken by the Department on some of the biggest challenges facing the road network, announced as part of the road investment strategy. We initiated and then completed detailed feasibility studies for those schemes. It is important that we are absolutely confident now about the effect of those schemes on neighbouring roads and other transport modes in their areas, and we should publish the terms of reference for those studies

early next year, including how integration will be addressed. We will add that to the studies and publish them before May.

In light of all that, we do not consider it necessary to make further legislative changes setting out how and when the route strategies will be carried out, what they contain or who must be consulted as part of creating them. I have considerable sympathy with the underlying concern, and I am prepared, as I have said, to take action to ensure that that concern is reflected in the steps that we take. On that basis, I hope that the hon. Gentleman will withdraw his amendment.

Richard Burden: One certainly finds out some interesting facts about people in Committee. I was not aware that the Minister had been through a KFC and Pizza Hut phase, which was interesting to know. I was getting a bit worried about the Christmas lunch that he just had and whether he had pushed the boat out and made it as far as Subway today. Food seemed to be a theme running through his speech. Having told us about his past delight in KFC and so on, he talked about what he would feed into the thinking of the roads investment strategy.

Turning to what has been said about the amendments, it is true that there are and can be examples of good practice. In the roads investment strategy, there are examples of the kind of joined-up, innovative thinking that members of the Committee from all parties have said is to be commended and encouraged. The hon. Member for Braintree, who is no longer in his place, made a good point about what is going on in his area, and we heard from my hon. Friend the Member for Vale of Clwyd about the situation in Wales, where really good examples of creative thinking are going on; my hon. Friend particularly mentioned footpaths.

In my area of the west midlands, some things that have been negotiated around the LGF have been the product of the kind of integrated thinking that we have been discussing in relation to the amendment. It was good to see in the roads announcement that changes around the M42 will reflect thinking about how to integrate the railway to Birmingham, the potential of HS2, the role of Birmingham International airport and the road system around it. Those are examples in my local area. The recent round of LGF includes some welcome things about an upgrade to the station at Longbridge, and the locally developed plan integrates ideas for improving cycling, bus access and road access.

There are examples of existing good practice, but the purpose of the amendments is to say that if the Bill is to achieve what it sets out to achieve, a bit of oomph should be put behind that. One way to put oomph behind it is to suggest to the new company, and indeed to the Department and the Secretary of State, as the person accountable, that when roads investment strategies are being devised, planned and discussed, things such as the condition of the local road network, the impact that decisions will have on it and so on should be taken into account, and there should be duties to do so. The hon. Member for Braintree said that was in danger of becoming a top-down approach. I do not think so. It simply notes what they have to think about and look at. How that is put into practice, and the discussions that take place between local authorities about how local road networks are joined to the strategic road network and so on, is something else.

The amendment is absolutely not prescribing what should happen, but rather says that that should be a regular part of the process. I understood the Minister to say that he is in favour of that kind of thing and the wording of the amendment is not threatening, undermining or impractical in the way that has been suggested. When we conclude this discussion, we shall press amendment 12 to a vote.

3.30 pm

On new clause 4, there are differences between us about whether the Government's proposals on cycling are all they crack them up to be, and about whether the money that the Government say they are committing to cycling is recycled or new money, or the balance between the two. In my remarks on new clause 4, I explained some of the reasons that I and a number of people in the cycling and pedestrian world are worried about that.

I have no reason to doubt the Minister's sincerity when he says that he wishes to see cycling and walking mainstreamed into thinking, and that he wants commitments about that. New clause 4 puts that intention into practice. It simply says that, following a suitable period after the Bill has been passed, there should be an obligation on Ministers to report to Parliament on what is being done and is going to be done to encourage greater take-up of walking and cycling. That would show whether the announcements that were made this autumn around the cycling delivery plan, for example, were—as we fear—a one-off announcement without much meat to them, or the start of predictable long-term multi-year funding for which the all-party cycling group and so many others have been calling. All new clause 4 says is: let us establish a duty for a report to Parliament following a suitable period after the Bill becomes law. I do not see why that is threatening, why it is a problem or why that would be resisted. At the appropriate point, I will seek to divide the Committee on new clause 4.

On new clause 5, there is no big difference between the Minister and me. We both agree that route strategies have to be integrated, have to bring together different modes of transport and have to straddle the strategic local road divide. It is a question of how we get that to happen. We have tabled a form of words in new clause 5 to make the point about what is needed. The Minister may be right that there could be unintended consequences with some of those specific words. I am gratified that he says he will reflect on how best to put what we are trying to achieve on route strategies into practice, whether it be in guidance, in the Bill or by some other method. The Opposition may need to return to that on Report, but I hope that that will not be necessary because the Minister has given some assurances that he will look seriously at that. I welcome that. It is unlikely that we will seek to move new clause 5 in Committee when the appropriate time comes, however I want to press amendment 12 to a vote now.

Question put, That the amendment be made.

The Committee divided: Ayes 8, Noes 10.

Division No. 1]

AYES

Blackman-Woods, Roberta	Greatrex, Tom
Burden, Richard	Jones, Graham

Raynsford, rh Mr Nick
Ruane, Chris

Shannon, Jim
Whitehead, Dr Alan

NOES

Burt, rh Alistair
Coffey, Dr Thérèse
Hayes, rh Mr John
Heaton-Harris, Chris
Jenrick, Robert

Kwarteng, Kwasi
Parish, Neil
Rudd, Amber
Williams, Stephen
Zahawi, Nadhim

Question accordingly negated.

The Chair: The Clerks have made a note that when we arrive at new clause 4 next year, the hon. Member for Birmingham, Northfield will wish to move it. I should point out as a matter of courtesy, because courtesy is important, that the hon. Member for Braintree informed the Chair that he had a constituent coming into the House whom he needed to see. He gave me his apologies and I am sure that he meant no discourtesy to the hon. Member for Birmingham, Northfield.

Richard Burden: I absolutely take on board what you say, Sir Roger, about the hon. Member for Braintree. I am sure that no discourtesy was intended, and there is certainly none taken.

I beg to move amendment 14, in clause 3, page 3, line 7, at end insert—

“(c) how the strategic highways company will co-operate with Network Rail for the effective integration of strategic road and rail planning and development, including a long route or utilisation strategies.”

The Chair: With this it will be convenient to discuss amendment 15, in clause 4, page 3, line 31, at end insert—

“(c) provision of services for the conveyance of passengers or freight”

Richard Burden: Amendments 14 and 15 expand on the points made earlier about the importance of integration in our transport system and transport networks. As we discussed in relation to previous amendments, there is a severe lack of integration. Major decisions are being taken on roads, rail and airports in isolation from each other. I guess that one example of that is HS2 and the Airports Commission. There is an absence of a coherent national plan on passengers and freight.

Let us take the proposals for improving trans-Pennine connectivity. The Department for Transport is currently set to look at proposals for HS3, new trans-Pennine road routes which will possibly include including a tunnel or upgrades to the A69 and/or the A66 across the Pennines, as well as other rail improvements. I am sure that they are all very worthy things to look at. The problem is that they all seem to be being looked at in isolation; separately from each other.

The Minister has recognised several times today the need for better transport links. The road investment strategy states that the strategic road network needs to provide “world-class links” with ports, freight, hubs, airports, modal interchanges and other developments such as HS2. Saying it is one thing, but delivering it in practice is harder, particularly in the absence of any mechanism through which the bodies running our strategic road and rail networks can work better together.

The amendments are about clarifying that the new company must co-operate with Network Rail. Amendment 14 goes beyond that and proposes that the two companies should co-operate on their five-year investment plan, including through road and rail route utilisation strategies. As both companies will have five-year budgets once the proceedings are through, there is a real opportunity to change how we plan road and rail investment and to make the most of every single penny of investment. They must work together on routes, not only with each other but with local bodies, city regions and local enterprise partnerships, and they must consider future passenger and freight demand on the road and rail networks. We want Network Rail and the new company to sit down and share information, forecasts and plans across the UK. It seems ludicrous to most people that that does not already happen—I think that they assume that it does.

Our proposals for route-based strategies are about creating a new forum in which we can look at a congested or poorly connected route or area and how it can be improved through rail, road, public transport or other links. The Minister has repeated on many occasions that he is willing to look empirically at a range of options on route strategies, but I suggest that if we are to look empirically, we need to examine evidence of demand and capacity across the transport network. We have a big opportunity to end strategic rail and road planning in isolation and to start to think about how they can work together to underpin economic growth in a more coherent way. I hope that the Government will take that opportunity today.

Mr Hayes: We can deal with the amendments fairly briefly. The duty on the company is clear: it must co-operate in areas of highway planning where it has a statutory role. The duty to co-operate is with relevant stakeholders such as local authorities, devolved Governments, operational partners—such as the police and emergency services—and other bodies with a significant stake in the long-term development of the network. There is little doubt in my mind that Network Rail will be one such body.

We are using statutory directions and guidance from the Secretary of State in the licence to supplement the high-level duty. I referred to this earlier, but I will do so again, because I can perhaps satisfy the hon. Gentleman to a degree that even he, knowing how generous I am, will not have anticipated. Paragraph 6.8(b) of the draft licence is currently clear that the licence holder must:

“Consult with and take account of the views of relevant local and national stakeholders”.

I think that there is an argument for naming particular stakeholders there. They are not legion, and there are not many that are as significant as Network Rail, so there is an argument for specifying that Network Rail in particular must be consulted. I will take that back and we will probably do that because the hon. Gentleman has persuaded me of that need.

Of course, the Highways Agency and Network Rail already have in place a memorandum of understanding that has been established for five years and cements effective co-operation, joint understanding of issues and the development of mutual interests, as well as requiring them to consider transport integration. They meet regularly to talk through those issues and resolve matters that have escalated at operational level, or

where a strategic decision or view point is required. Nevertheless, conceding another point, I wonder whether we ought to make some of that information more widely available. I will take a look at whether we need to give routine reports on how that co-operation works in practice. The meetings already occur and are opportunities to touch base and remain up-to-date on developments in each organisation. I assume that the memorandum of understanding will continue with the new body; I take that as read. However, perhaps there are ways in which we could make the process more transparent. The combination of that addition and my consideration of additional transparency is, I hope, sufficient to persuade the hon. Gentleman to withdraw his amendment.

3.45 pm

Richard Burden: That was a helpful response. It is good to know that the memorandum of understanding exists at the moment, but that in itself probably indicates that something more is needed. In some of the examples that I gave, the thinking does not seem to be sufficiently joined-up, so something else needs to happen to supplement that. Perhaps the problem is not in the Highways Agency. It might be between the two institutions, or the problem might be in the Department. I do not know, but I am grateful to the Minister for his assurance.

Although the amendment was meant to probe, it probably is not wise to insert in the Bill a reference to Network Rail. In the unlikely event of the Government being re-elected, they might want to get rid of Network Rail and create something else that has been successful in the past, such as Railtrack. It is probably wrong to refer to specific organisations in the Bill, so I think the Minister is probably correct to try to get something in the guidance or in the licence. I am grateful to him for his assurances. We look forward to his further proposals on how the objectives in the amendments can be met. I beg to ask leave to withdraw the amendment.

Amendment, by leave, withdrawn.

Richard Burden: I beg to move amendment 18, in clause 3, page 3, line 7, at end insert—

“(c) a target for vocational qualifications to be gained by individuals employed by the strategic highways company and carrying out activities in connection with preparing for, and constructing, the network referred to in section 1(1)(b)

On Second Reading, the Minister rightly identified one of the major challenges facing infrastructure delivery—I mentioned it in my speech, as did other hon. Members—and that is the question of skills. Last year, more than one in five vacancies were unfilled because of the poor skills base. With long-term and youth unemployment levels as high as they are, that is not good enough. Construction and engineering are some of the worst-hit sectors. It is now estimated that we will need around 780,000 engineers by 2020 if we are to meet the demands of industry. So, we need real change to deliver infrastructure and to support the skilled and quality jobs for Britain’s future.

First, as the Civil Engineering Contractors Association recommended, we need to do something about the current non-EU migration target and its impact on our skills base and being able to deliver the right number of skilled people. In its words, the target

“limits the availability of skilled employees required to deliver key projects.”

It needs to be proposed with a smart system of different levels and targets for different types of immigration, as the shadow Home Secretary has been calling for, rather than the current target that is too blunt, unworkable, and delivers consequences that are bad for our economy. So we need to do something there.

Secondly, we need major reform of vocational education. For too long our education system has focused opportunity through university. It has badly let down young people for whom a vocational qualification would have led to a successful career, and it has let down the businesses that need those skills too. That is why the Opposition are committed to a major reform of vocational education and apprenticeships. We want to deliver a gold standard, a technical baccalaureate in schools and colleges and technical degrees in universities. Our goal is to see as many young people succeed through apprenticeships as we see succeeding through universities by 2025.

Finally—this is where the amendment comes in—we need to use the power of Government procurement to boost skills and training much more effectively than is being done at the moment. That could involve requiring all firms with public contracts worth more than £1 million to offer apprenticeship opportunities. Will the Minister clarify whether the new company’s contracts will be public and subject to that kind of public procurement requirement—if indeed the Government, whether this one or the next, wish to introduce such a requirement? Will the company be listed under the Companies Act 2006? If so, what are the implications of that for achieving the kind of objectives I have been discussing? Will he back the principle of a target for apprenticeships and vocational engineering in the design, construction and management of the strategic road network in the new company and through its supply chain?

The Government accepted a similar amendment in the HS2 hybrid Bill. With Crossrail, there have been 400 apprenticeships over the lifetime of the project. We have seen how apprenticeship programmes can deliver lasting skills legacies in the industry. If the road investment strategy is to herald a new era of long-term thinking in the design and construction of our roads, it can also be used—if we have the will to do so—to deliver a major change in how we plan and offer great opportunities to train a new generation in construction and engineering.

We did that with Crossrail. I was there only last week, underground with some of the team. One of the things they are clearly very proud of is how the project has brought large numbers of young people through to gain valuable skills that will equip them well for the future, as well as contributing to a great infrastructure project. Indeed the buzz around the HS2 college in my city of Birmingham and up in Doncaster is giving the whole HS2 project added dynamism. It is a spin-off that can contribute directly to the expansion of our skills base.

Given the major skills shortage that we face as a country and the pressing need to train and equip young people for such careers in future and particularly given what the Minister said on Second Reading—there is common ground between us—I hope he will feel able to say something to give us comfort that the kind of objectives in the amendment will be taken up by the Government. Government draftspeople of legislation are reluctant to muck about with the wording of Bills in Committee, but is the wording of the amendment that threatening and that much of a problem?

[Richard Burden]

The amendment proposes to set down a target of vocational qualifications to be gained by individuals employed by the strategic highways company in carrying out activities in connection with and preparing for construction of the network referred to. The amendment does not say what the target should be—it is not prescriptive to that extent. Rather, as we were saying about mainstreaming walking and cycling into transport planning and infrastructure development, we hope that through the Bill we can start to mainstream the skills agenda into the infrastructure agenda, which is the subject of the Bill.

Mr Hayes: I defer to no one in this House in the advocacy of vocational learning—I say that about nothing else, I think, apart from high Toryism, the divine right of kings, the musical canon of Amy Winehouse and the vintage of Château Musar. My views on vocational learning are well known and I do not want to rehearse them now, but I wholly agree with the hon. Gentleman in three respects. First, we have concluded as an establishment—I was going to say “as a nation”, but I am not sure that is absolutely true—quite wrongly, for a long time, that the only form of accomplishment that mattered came through academic prowess. As a result, we have taken an insufficient view of the economic significance of vocational, technical and practical learning and of the difference it makes to well-being, both for individuals and communally.

Secondly, in terms of the impact on the economy, that has left us with the kind of shortage that the hon. Gentleman spoke of: insufficient people with the right skills to fuel the economy, which is increasingly in need of those skills as it becomes more high-tech. Thirdly, in the specific area of infrastructure and the road investment strategy, this area will be one of the biggest challenges that we as a Government, or any Government, face. It is not straightforward for Governments to devise a strategy of this kind. It is less straightforward still for Government to be bold enough to put money behind that design; but it is perhaps most difficult of all for Government to bring about the means by which the strategy can be delivered, because of course that is dependent on so many other agents and organisations, and those organisations depend on the skills of thousands—indeed tens or hundreds of thousands—of individuals.

One of the important challenges for Government will be using whatever means we can to incentivise, encourage or even oblige the development of those skills. To that end, I fully appreciate why the hon. Gentleman has tabled his amendment. I do not necessarily feel it right to agree to the amendment in its current form, but I think that, in the performance specification and outputs of the investment plan, it is important that we are clear about what we expect in respect of the necessary development of skills associated with the delivery of the strategy. In other words, we are absolutely clear about the scale of the challenge we face in implementing what we have set out. To that end, I think that apprenticeships are vital.

The hon. Gentleman will know that we recently celebrated our two millionth apprenticeship under this Government. The Government’s ambition is to have 3 million apprentices. I was lucky enough to be the

Minister for Skills when we first came into government and was able to oversee the rejuvenation of the apprenticeship system by putting in place, for the first time, statutory requirements for apprenticeships, with a minimum length and changes to what was taught and tested to more accurately match real need. That is of particular significance to this Bill and all that it encompasses.

There needs to be a certain amount of operational discretion on the part of the company in developing the network, and it is absolutely right that it should put in place a training regime that is suitable for itself. Nevertheless, I am in discussions with the company and the supply chain more broadly about the most effective way of developing skills and apprenticeships, not just for Highways England but across the wider sector. The problem with doing that through the amendment is that it is rather too rigid. On that basis, I ask the hon. Gentleman to withdraw his amendment. I give him my strong assurances that, after my discussions about training and apprenticeships, I will report back to the House on our early thinking about how to develop the skills necessary to implement our strategy.

4 pm

I repeat that this challenge is the biggest we face. Getting to where we are was a big enough challenge, and there is more to do in setting up the company and establishing some of the things we spoke about earlier today, including the relationship of the strategies to the local authorities, other agencies and so on. The skills challenge is the biggest challenge of all, and I would not be doing my job if I did not commit to bring further information to the House about our early progress on setting objectives with the company to meet it. On that basis, I hope the hon. Gentleman will withdraw his amendment.

Mr Nick Raynsford (Greenwich and Woolwich) (Lab)
rose—

The Chair: The right hon. Gentleman has been in this place for a long time, so he will know that when the Minister has wound up it is normally the Front-Bench Members who reply. I gather that he had an unfortunate experience this morning, so I will give in gracefully on this occasion, but I would be grateful if he made it brief.

Mr Raynsford: I am very grateful, Sir Roger. I will be very brief indeed.

I was stung to rise to my feet by the Minister’s comments, which made no reference to the number of apprenticeships in the construction industry. He talked broadly about apprenticeships, but he did not refer to the fact that in the construction industry the number of apprenticeships has been declining. In the last year for which we have full figures—2013—there were just over 12,000 completed apprenticeships. That is the situation we face, and that is why this issue is urgent.

The Minister talked in his Second Reading speech about the urgency of this issue and the opportunity to tackle it that this Bill presents. I was very disappointed indeed that he gave us warm words but no indication of action to tackle an issue that urgently needs tackling. I

hope he will think hard about it before Report, and I certainly intend to take the matter further if it has not been resolved by then.

Mr Hayes: Let me assure the right hon. Gentleman that as a direct result of that question I will happily meet the construction industry training board with the Minister for Skills and Equalities before Report. This matter is highly relevant to the road investment strategy, and I will comment on it further either on Report or by letter prior to Report. It is important that we look at construction apprenticeships in particular, given the scale and character of what is set out in the road investment strategy.

Richard Burden: It is clear from the comments that have been made by Members on both sides of the Committee that it is imperative that we improve our skills base. My right hon. Friend the Member for Greenwich and Woolwich made an important point: the important thing is that it happens in practice, not simply in theory, because the challenge in construction is very real.

I am grateful for the Minister's assurance that he will talk to the relevant training bodies and his ministerial colleagues and come back to the Committee in writing or on Report, but I ask him not to rule out putting something in the Bill. There are some similarities between our discussion here and the discussions about the HS2 hybrid Bill. Everybody agreed that HS2 presented a great opportunity, but they said that this kind of thing should not be put in the Bill. In fact, it was put in the Bill, and Members on both sides of the House now say that that was a really good thing.

I am not claiming that simply writing something into the Bill would make it happen, but it would create a duty and put pressure on Ministers to fulfil it. It may be that targets should not be in the Bill, but I hope that something can be included to address the issues we are talking about. I am happy to sit down if the Minister would like to intervene on that question.

Mr Hayes: I am concerned about the rigidity of the target, but I am determined that there should be an expectation that the new body will have new plans on recruitment and training sufficient to deliver the strategy. I am very happy to talk about that.

Richard Burden: I am grateful to the Minister for that. The question was whether we could consider putting that in the Bill and he is being generous in saying that he will seriously consider the points we have made. My right hon. Friend the Member for Greenwich and Woolwich made it clear that we will be looking for something specific before the Bill is considered on Report; otherwise we may wish to raise the issue on the Floor of the House. However, with those assurances from the Minister, I beg to ask leave to withdraw the amendment.

Amendment, by leave, withdrawn.

Clause 3 ordered to stand part of the Bill.

Schedule 2

ROAD INVESTMENT STRATEGY: PROCEDURE

Richard Burden: I beg to move amendment 16 in schedule 2, page 82, line 17, after "relate", insert—

"(d) the circumstances in which the Road Investment Strategy will allow the strategic highways company to undertake commercial services or charge for services"

I have spoken before about how the model put forward in the Bill has fuelled suspicion that the reform leading to the establishment of Highways England could be the precursor to a bigger change in our roads network. We know that the Prime Minister wanted to secure private sector investment in the roads network and he cited pension and sovereign wealth funds as possible sources. We also know that the Government were looking at getting users to pay for new road investment. That was the case in particular in relation to the A14. That led to a huge outcry—including from some hon. Members on the Committee—because if a toll had been introduced on the A14, the real fear was that that would have pushed traffic on to local roads and undermined local jobs and businesses. We know that that was on the Government's mind, even after having received assurances that it was not.

The proposal in relation to the A14 has been withdrawn: that is in the roads announcement and the roads strategy, which is good. It is interesting, however, that the original proposal that the Government deemed too expensive and that therefore required tolling would have cost £1.3 billion, while the £1.5 billion of investment that we are now talking about is apparently not too expensive—work that out, because I cannot. That indicates that we need to have some clarity on the long-term future, but I do not think that the Government's proposed licence for the company provides that.

The licence contains a section named:

"Commercial activity and charging for services."

However—surprise, surprise—that section is "still under consideration". I do not think that recent Government statements provide clarity either. The Department's response to the Select Committee on Transport's better roads inquiry said:

"The Government will consider tolling as a means of funding new road capacity on the strategic road network. New road capacity would include entirely new roads and existing roads where they are transformed by an improvement scheme."

To me, that is not clear. I am not really sure what the Government are saying about charging and what they are ruling in and what they are ruling out. New road capacity is defined as both a completely new road and a transformation of an existing road. What would be considered a transformation? Presumably, one thing that could be considered a transformation is what is happening to the A14.

We do not have clarity. We did not have clarity in the response to the Transport Committee, nor do we have it in the Bill. Paragraph 125 of schedule 1 amends the Transport Act 2000 to allow the Secretary of State to apply tolls on roads operated by a strategic highway company. The power is not limited to roads where charges are currently levied. In clause 6, there are also extensive powers for the company to outsource and delegate its functions, which a number of people, not least unions such as the Public and Commercial Services union, are warning could permit appointment operations on 10-year contracts.

Amendment 16 tries to clarify under exactly what circumstances a new company could charge for services or undertake commercial activity. Under what improvement

[Richard Burden]

schemes are—or could—tolls be considered, now and in the future? What are the Government's criteria for what counts as transformational improvement? Are those criteria publicly available? If not, why not?

We already know that 11 of the 69 schemes announced at the beginning of December are being funded—I think this is the term in the roads announcement—“subject to other contributions”. What if that other funding is not found? What if those other contributions do not come in, or do not come in on the scale anticipated? Will tolls be considered for road upgrades in that situation?

The Government also expect that the licence holder will not be able to receive sponsorship or advertising without the Secretary of State's approval. Perhaps the Minister can clarify why that is only an expectation. If the company is accountable to the Secretary of State in the way the Minister has assured us is the intention, why is it simply an expectation, not a requirement?

The Government have said that some of those issues will be clarified in the framework document. That is good to know, but we are where we are in Committee today and, at the moment, they have not been clarified. This schedule is where we have the opportunity to consider the matter, so I look forward to the Minister's clarification on those issues today. What is going to go in the framework document? What are the answers around the question of tolling and raising money? What is the answer in relation to advertising? What do the Government mean by “transformational improvement”?

By accepting the schedule in its current form, would we be accepting that the new highways company could introduce tolls not simply on new roads, but on existing roads where an improvement, renovation, repair or change was regarded as transformational? The strategic highways network is talking about strategic change to roads and we are talking about step-changing roads. That has been the tenor of today's discussion; we are talking about big changes in the way our strategic road network is delivered. Given that, it seems that the term “transformational improvement” could apply to a great many road schemes. I hope the Minister can provide some clarity on those matters.

Mr Hayes: Again, we can deal with that fairly quickly, not least because, although I understand why the hon. Gentleman has raised the matter, I do not think there is quite the spectre that he described as implicit in the proposals. Let me be crystal clear: the Government remain firmly committed not to introduce pay-as-you-go road charges or tolls on existing roads. We will not make any changes to existing law on tolls and road charging, and we are not giving the company any power to issue its own tolls or other charges on road users. I could finish there but I think that would be impolite.

4.15 pm

The company needs the permission of the Secretary of State to take advantage of new commercial opportunities. That is right but it is also right that that is done through statutory directions and guidance, not through the road investment strategy, not least because to change or vary the road investment strategy is a highly involved process. If we needed to vary the strategy every time we wanted

the company to partake in a legitimate and sensible commercial activity, it would severely hamper the company's ability to act flexibly and respond to changing circumstances. I am absolutely clear that we are not giving the company carte blanche to take radical decisions that contradict the commitments that I have given on commercial activities, charging, and other related activities. It is more about things such as regulations around which signs can be placed along the roadside; powers to decide on that remains with the Secretary of State, so Highways England would need to consult the Secretary of State for consent to do that. I am thinking about advertising and sponsorship, which might be another concern about commercial activity. Although I can understand why the hon. Gentleman has raised the issue, our intentions and, indeed, the Bill are more straightforward than perhaps he has assumed. On that basis, I invite him to withdraw his amendment.

Richard Burden: Again, I do not doubt the Minister's intentions but then I try to relate the assurances that he is giving to the fact that he is urging me to withdraw the amendment and I do not really understand that. If the amendment were trying to rule out altogether any question of Highways England charging for any services, clearly that would put the straitjacket on it that he was suggesting. If the amendment were trying to say that charging would only take place in the following circumstances, I would understand what he is saying because it is impossible while discussing a Bill to work out precisely the times and circumstances in which some kind of charge or sponsorship—some variation from the norm—would be justified. We could not do that in primary legislation. However, that is not what the amendment says. It says that what should be laid down in the Bill are

“the circumstances in which the Road Investment Strategy will allow the strategic highways company to undertake commercial services or charge for services”.

In other words, it says that when drawing up that strategy, the assumptions around where extra money will be involved—whether it could involve tolling or not—should just be looked at in the strategy, not in primary legislation. I really do not see the problem with writing that on the face of the Bill in the interests of the very transparency that, in clause 1, we were talking about as being so important. I appreciate that the Minister has absolutely no intention of allowing wholesale tolling or anything like that. However, I would like to make it absolutely clear that if there was going to be any such suggestion, it must be transparent.

Mr Hayes: This is a last-ditch effort to persuade the hon. Gentleman not to press the amendment. The body would have to go to the Secretary of State before any such decision was made, as that decision would rest with the Secretary of State. The body would not have permissive freedom to take those decisions without being pulled back, as the Secretary of State will be answerable to the House for any such decisions. For my money, that is by far the best guarantee that we have. Because of the principles of sensitivity and proper levels of accountability and all the popular debate that takes place about road charging, that is the best guarantee we have of these things not happening by stealth, which is what I rather think the hon. Gentleman might suspect could happen were that not the case.

Richard Burden: I appreciate the Minister's last-ditch effort, but he could say that about any part of the road investment strategy. The Minister will be accountable for delivering the road investment strategy when it is drawn up. It will go to the Minister to be looked at, and Highways England will then be charged with the responsibility of taking it through, delivering on it and being held accountable for it. I do not see why the strategy should not have within it what the framework is and whether it really does or could envisage charging.

If the strategy allows the strategic highways company to undertake commercial services or charge for services, the Minister will have signed that off. There will be an obligation on the Minister to say, "Okay. This is something that the RIS could include." I do not personally see a problem with having that on the face of the Bill. On that basis, I would like to divide the Committee.

Question put, That the amendment be made.

The Committee divided: Ayes 7, Noes 10.

Division No. 2]

AYES

Blackman-Woods, Roberta	Raynsford, rh Mr Nick
Burden, Richard	Ruane, Chris
Greatrex, Tom	Whitehead, Dr Alan
Jones, Graham	

NOES

Coffey, Dr Thérèse	Newmark, Mr Brooks
Hayes, rh Mr John	Parish, Neil
Heaton-Harris, Chris	Rudd, Amber
Jenrick, Robert	Williams, Stephen
Kwarteng, Kwasi	Zahawi, Nadhim

Question accordingly negatived.

The Chair: Amendment 13 was debated at some length with amendment 12. I am satisfied that the contents of schedule 2 have been adequately debated, so I propose to put it to the Committee forthwith.

Schedule 2 agreed to.

We are coming fairly shortly to clusters of clauses to which no amendments are tabled. My custom and practice is to call the number and, if no voice is raised, I shall simply put it formally without the Minister needing to move it or read a speech. If any Member on either side of the Committee wishes to comment on any clause, they are absolutely entitled to do so. I will make that plain as I move fairly fast; do not say that you were not warned.

Clause 4 ordered to stand part of the Bill.

Clause 5

DIRECTIONS AND GUIDANCE

Richard Burden (Birmingham, Northfield) (Lab): I beg to move amendment 17, in clause 5, page 3, line 36, at end insert—

() Nothing in this Act shall alter the accountability of the Secretary of State to Parliament for the highways specified under section 2(1)(b)

The Chair: With this it will be convenient to discuss amendment 19, in clause 5, page 3, line 39, at end insert—

“including on matters of remuneration, management, financial arrangements and staffing”

Richard Burden: The accountability and oversight arrangements for the new company have been among the key issues debated in relation to the Bill and indeed they were relevant to the most recent Division. The Government are putting the Highways Agency at arm's length without the regulatory safeguards imposed on a utility company.

On Second Reading, the Minister said that he would come back with a clear and impressive description of how Ministers will be accountable to Parliament for the performance and delivery of Highways England and the road investment strategy. I thank him for his words not only in Committee today but in the various letters he has written, because we now know that Ministers will set the strategic direction for the company and network and have the ability to issue statutory guidance and directions. There will be clear means for Ministers to intervene through incentives and sanctions, such as requiring additional reporting and circumscribing Highways England's autonomy. Ministers will remain accountable to Parliament for how the roads are run, including through written answers and debates. However, it is not clear whether the level of information shared will remain the same, or go up or down. As Members know, we often get the following standard answer to parliamentary questions about the rail network: "It is an operational matter for Network Rail. Full details can be obtained from Mark Carne, chief executive of Network Rail, at Kings Place, 90 York Way, London, N1 9AG." We know that Network Rail is going to be reclassified in April, and there is an assumption that Department for Transport Ministers will be more accountable once that has been implemented, but it is not yet clear how that will translate into practice.

Currently, information is shared in an inconsistent manner by the Department, Network Rail and Parliament. The means by which Ministers will be held to account for Network Rail's future performance remain unclear. As far as the Bill is concerned, the Opposition think that such issues should be considered in parallel when it comes to Highways England. We want clarity on what information will be shared between the company and Network Rail; with Parliament and parliamentarians; between the company and the Minister; and between the Minister and Parliament. If we all agree that accountability is crucial—I think we do, because that has been a constant theme of today's proceedings—do we not come back to square one? Do we not come back to the essential question of why we need this reorganisation in the first place?

The Government recognised that the oversight arrangements needed improvement, and I am grateful for their willingness to change on that. The initial model for the company considered in the other place has changed significantly. That is good, but I suggest that it is not yet good enough. We need proper public scrutiny of our road network, an asset worth £111 billion. That is why we are looking for guarantees that none of the reforms introduced by the Bill will reduce the

[Richard Burden]

accountability of the Secretary of State to elected Members representing the public. From what the Minister said in his opening remarks today, he shares our concerns.

The updated summary document sets out that Parliament and the public will be able to scrutinise the company and hold it accountable for delivery against the roads investment strategy and the performance specification that goes with it. What about public scrutiny of those documents themselves, however? Is there a case for wider consultation on the strategic vision and underpinning of the RIS happening in the same way that there has been with, for example, the national networks policy statement, where there was a lot of discussion and input? I look forward to the Minister giving his responses and to the views of other hon. Members.

4.30 pm

On amendment 19, in the Minister's description of accountability, he confirmed that, as the sole shareholder, the Secretary of State will control how the company is governed. That includes approving board pay and policy, and having the ability to remove some or all of the board. Those things are welcome, particularly if we are to avoid the culture of pay and remuneration that has sometimes prevailed elsewhere, especially in relation to rail. When Network Rail is reclassified as being in the public sector, remuneration for it will also be approved by the Secretary of State and the Treasury. Aside from the fact that the Government have said that remuneration will not

“go beyond what is needed”,

there is no clarity about the reasons why bonuses should or should not be paid or what thresholds there might be.

My hon. Friend the Member for Hayes and Harlington (John McDonnell) expressed concerns on Second Reading that central reviews of remuneration are not effective. He said that what is needed is a ratio between the highest and lowest paid in the organisation. The trade union involved, PCS, is calling for assurances that the directors and senior managers of the SHA will be paid in accordance with the outcome of the deliberations of the civil service's Senior Salaries Review Body. Will the Minister look at such concerns and provide the House with more clarity on the issue of not seeing pay packets spiralling out of control at the top simply because the company says that that is the only way in which to attract the right kind of talent?

We have good reason to be concerned about the impact that greater freedom on staffing and pay—one of the key DFT reasons for the need for a new commercial model—will have in future. The updated impact assessment for the reform has shown that the costs for the new corporate staff involved, such as human resources, legal, finance, public relations and strategic planning, which were all formerly DFT functions, are already on the rise. The Highways Agency itself had previously stated that about 30 posts, probably amounting to some 20 full-time staff, would be needed. The new operating cost was to be £1.3 million per year. Those figures now stand at an estimated 40 staff at a cost of £2.6 million per year. We are therefore talking about quite big money being anticipated in association with the new company. Spending

on corporate staff seems set to double already. That is hardly the greatest start for a new arm's length company accountable to Ministers and transparent to the public.

Those figures are still estimates, so the DFT has not yet updated the full impact assessment cost-benefit analysis. Like it or not, we are where we are. The Bill is being considered in Committee. As the Department has not been able to give us its best estimate of what the costs will be, can the Minister give us that figure today? Are we talking about the total cost of transition for 2013 to 2015 being around £100 million? If we are, I go back to what I said at the start: is it really worth it? Is it really necessary?

Mr Raynsford: Briefly, I shall add my strong support to my hon. Friend the Member for Birmingham, Northfield, particularly for his advocacy of amendment 17, which would clarify the continued accountability of the Secretary of State for whatever happens in this field. The Minister touched on that in his introductory remarks this morning. He was clear that he wanted to see that. His hon. Friend the Member for Taunton Deane spoke strongly in favour of that, and he was given assurances by the Minister that that was the objective. I am sure we will hear further assurances.

I simply want to highlight three factors that lead to doubts as to whether the Minister's assurances can be delivered. The first is something that I was hoping to raise earlier under schedule 1. I hope you will not rule me out of order in now mentioning it, Sir Roger, because it is germane to the issue of accountability, which is the subject of the amendment.

In schedule 1, there are, on my calculation, around 300 amendments to existing legislation, which specify—I use the term carefully—

“or a strategic highways company”

to be added to references to the Secretary of State. It is not substitution. It is not in place of the Secretary of State. It is in addition to the Secretary of State, so these cover an enormous range of powers and responsibilities. The question must be: how are we going to ensure clarity as to where responsibility lies? If, under legislation, it is either the responsibility of the Secretary of State or the responsibility of a strategic highways company, there almost inevitably will be some ground for uncertainty and potential confusion.

The second factor is one to which my hon. Friend the Member for Birmingham, Northfield has already alluded, which is the provision in clause 6, which we are due to come to shortly, for the delegation of functions. The powers in clause 6 allow very broad scope for delegation to one or more other organisations. Once again, if the new strategic highways authority chooses to delegate its powers, subject to the Secretary of State's regulations, how can we be certain about the responsibility and accountability and where that will lie if there is a chain of responsibility that descends from the Secretary of State through the new highways company to bodies that have been given delegated powers by that company? Again, it is a question of clarity.

Thirdly, when we come to clause 7, the Minister will know that subsection (4) makes it clear that schedule 15 to the Deregulation and Contracting Out Act 1994, which involves restrictions on disclosure of information, applies to such delegated responsibilities. So we have a

third area where there could be room not only for lack of clarity, but there could be an opaque framework where it is impossible to obtain information.

Given all those grounds for concern, it is not surprising that members of the Committee raise concerns about the ability of Members of Parliament to represent their constituents and to get responses from Ministers and the Secretary of State. We will need some pretty convincing reassurances that the same standard and the same degree of accountability will exist if the legislation goes through in its current form without the amendment that my hon. Friend has tabled. It seems to me an absolutely admirable amendment that clarifies the continuing responsibility that I believe is the objective that all of us in this Committee want to see. I hope that the Minister, in replying, will give us an assurance the amendment will be accepted to clarify that continuing responsibility on the face of the Bill.

Mr Hayes: I will try to deal with both contributions relatively briefly, while not underestimating their significance. The document that the shadow Minister referred to was the licence document, which sets out that Ministers remain clearly accountable to Parliament and can intervene if the company is “failing to deliver”. The emphasis that I want to place here is on intervening in respect of delivery. It is not simply about the Government’s capacity or ability to set the direction or, indeed, to establish the strategy or allocate the funding to make that strategy real. It is about intervening in delivery, should and when that becomes necessary.

I will suggest two additions to the draft document which might be helpful to Members. The first is that the draft document says that Ministers retain the right to issue “additional statutory Directions to the company to take specific action or implement specific policies.”

It would be helpful, as this draft develops, to provide examples of that. It seems to me that saying that without setting out the kind of circumstances which might apply is less helpful than it might be. Similarly, the document says that Ministers can increase

“scrutiny and oversight of company activities, for example by introducing additional reporting requirements.”

We should give examples of when that might happen and what those additional reporting requirements might be. By providing those instances in both cases, Members might be assured about the determination of Government to retain the lines of accountability which I have been so keen to emphasise.

Furthermore, in the part of the document which talks about the performance contract and the company’s performance being monitored and assessed against that, it seems to me that the measurement of performance needs to be known by Members of this House and certainly by Ministers. I will look again at how that performance might be reported to the House, having first been reported to Ministers. It seems useful for Ministers and the House more generally to have some sense of how the new body is performing. Those are all the things that I am prepared to add to this document. I will go away and look at what is a draft document that is designed to be iterative, as I described earlier. I take the rather old-fashioned view—you might describe it as such, Sir Roger—that Ministers should be influenced by the debates that take place in Committees and that

scrutiny has real purpose. To have purpose, scrutiny requires that Ministers respond in the way that I have tried to today, as illustrated by what I just said.

On the specific issue of money, which is pertinent to these amendments, I am absolutely clear that the Secretary of State will approve the company’s overall pay strategy and executive pay framework. Remuneration packages will comply with public sector rules that require pay above the Prime Minister’s salary of £142,500 to be approved by the Chief Secretary to the Treasury. I share the concerns that if we do not retain those powers, we might end up with the sort of situation that the shadow Minister described. He did not do so in colourful terms; he was very measured in what he said. None the less, I knew what was in his mind and I knew that he was articulating a wider concern of the Committee. It seems absolutely right that there are proper controls on remuneration so that the budget does not get out of control.

On the point raised by the right hon. Member for Greenwich and Woolwich—[*Interruption.*]

Richard Burden: Before the Minister moves off that point about money and spending on salaries, I am grateful for his assurance that he will keep an eye on that, but I am worried about how far we have got so far. The Highways Agency was talking about needing 20 full-time equivalent staff, with an operating cost of £1.3 million. Now, that seems to have doubled to £2.6 million and 40 full-time equivalent staff. The estimate was for £100 million of transition costs. I do not know whether he has the up-to-date figures yet. If he has not, he has not, but it would be helpful if he could provide them. We want to know what the current estimates are, because they already seem to be inflating.

4.45 pm

Mr Hayes: That is absolutely fair and reasonable, and I will write to the Committee with the latest transition costs. In doing that, I will insist that those transition costs are kept as low as they can be. We should not be spending public money irresponsibly in this case or in any case. I re-emphasise, however, that the impact assessment talks about savings of £2.6 billion. The transition costs matter, but we should not take them out of perspective. I would be more than happy to write on that basis.

My father and I were born in Woolwich and my mother was born in Greenwich, so I feel particular affection for the right hon. Member for Greenwich and Woolwich, for that coincidental fact if for no other reason, although I hasten to add that there are many such reasons. On the 300 amendments he mentioned, they all add the strategic highway company and the Secretary of State to the Bill, but there is no change through those amendments to the relationship between the two. It is important to point that out. In that sense, they are technical amendments, but as a direct result of his contribution I will go back and, in belt-and-braces fashion, check that those amendments do not in any way diminish the role of the Secretary of State or leave us in a worse position than we are in now. My ambition is for us to end up in a considerably better position. The current arrangements with the Highways Agency do not have sufficient transparency and clarity on accountability and the role of Ministers and the House.

[Mr Hayes]

Finally, it is important to emphasise that the Secretary of State remains the highways authority for concession roads such as the M6 toll road and the Severn crossing, and that is unchanged in the new arrangements. We will think more about this matter, and on that basis I ask the hon. Member for Birmingham, Northfield to withdraw his amendment. He can tell where I am coming from, what my intention is and how, although there is further still to go, we have already gone further than before.

Richard Burden: As the Minister said, he has been clear about his direction of travel, and we look forward to receiving more on this matter. The one thing I will say is that we have already discussed a number of things where we have said, “This will be done for Report stage.” That is fine, because there is no point in needlessly dividing the Committee if we can come to some accommodation that buys us some time. The only point I would make on that—I suppose this is more a matter for Government business managers than the Opposition—is that if we queue up too many things to come back to on Report, that might have a time consequence for the Report stage. I throw that out as a possible consequence.

I am sure that the Minister is absolutely genuine in his desire to keep costs down as far as possible. He has clearly heard the concern I have articulated on how things should not be allowed to escalate in the way that they might at the moment. He has clearly heard the important points that my right hon. Friend the Member for Greenwich and Woolwich made on an earlier schedule to the Bill. I thank you, Sir Roger, for allowing him licence to raise those points in our deliberation of this part of the Bill. His points are relevant. I beg to ask leave to withdraw the amendment.

Amendment, by leave, withdrawn.

Clause 5 ordered to stand part of the Bill.

Clause 6 ordered to stand part of the Bill.

Clause 7

EXERCISE OF DELEGATED FUNCTIONS

Question proposed, That the clause stand part of the Bill.

Richard Burden: We have not tabled amendments to clause 7, but we would appreciate a brief debate on whether it should stand part because there are a number of matters that we would like to probe.

To what extent will the proposed new corporate status of Highways England affect the question of professional indemnity? Currently, as civil servants, Highways Agency staff are covered by Crown indemnity if they do or do not do something that is subsequently found to be negligent. As I understand it, Highways England will no longer be part of the Crown, but a company registered under the Companies Act 2006. That is something I referred to in the previous group of amendments.

As with the previous issue on corporate staff and so on, I would be grateful for more clarity on the costs of moving over to the new structure. I have to say that the Government have form on this matter—not the Minister as an individual, but the Government more corporately. For example, I have been asking them since the beginning of the year whether the Highways Agency’s VAT exemption—worth £400 million a year and therefore increasing the estimated costs of transition—would apply

to the new company. I understand that the Minister has written to one of the hon. Members who raised this issue before, but I would appreciate some clarity on that because we could be talking about some quite significant sums of money.

In the other place, the Minister was really quite adamant that the exemption would apply, but when I tabled my parliamentary question on this matter, the Treasury, which came back with the reply, did not give me that kind of assurance. In fact, it did not give the assurance until an announcement in the autumn statement just a few weeks ago. Has the Minister estimated the cost of carrying out and carrying through full public liability insurance and professional indemnity insurance for the work force and the structures they commission and approve?

There are two issues there: one is, can we have some clarity in relation to VAT? Secondly, on the question of crown and professional indemnity, what is the position and cost associated with that?

Mr Hayes: Briefly, may I assure the Committee that clause 7 does not affect employer liability or professional indemnity for Highways England staff. The clause establishes clear accountability for statutory functions where Highways England has contracted out work to the private sector. Although the staff will move from a Crown body to a non-Crown body, there is no change in the respect that I have described. There is a letter in the Library of the House from the Treasury, which was placed there at the time of the autumn statement, saying that the company will indeed be VAT exempt.

Question put and agreed to.

Clause 7 accordingly ordered to stand part of the Bill.

Clause 8

WATCHDOG

Richard Burden: I beg to move amendment 21, in clause 8, page 5, line 40, after “authority”, insert—

“() how the strategic highways company’s exercise of its functions or achievement of its objectives affects communities located near the highways for which it is the highway authority.”

The Chair: With this it will be convenient to discuss amendment 22, in clause 8, page 5, line 40, after “authority”, insert—

“() the views of road users in general; and
() the environment.”

Richard Burden: One of the Department’s main reasons for reforming the Highways Agency has been the need to provide a stronger consumer focus on strategic roads. That is where the expanded role of Passenger Focus, which will become Transport Focus, comes in to represent road users.

The Government have clarified that Transport Focus will represent all users. Such a broad constituency poses quite a challenge as it covers the freight and logistics sector, which of course depends on the strategic road network business, as well as motorists, cyclists, pedestrians and motorcyclists. It also covers the emergency services and probably rather more on top. That is a much broader range of road users than simply people who could be described as passengers, whose views Passenger Focus currently collects.

We know that the renamed Transport Focus is up for the challenge, and it has a good track record of expanding its duties. We are therefore proposing to extend its remit further so that it can truly become a watchdog of the roads. As currently drafted, the Bill will compel it only to protect and promote the interest of users of strategic roads. We want the Government to think seriously about how that will work, because, as I have said before, most journeys do not start or end on the strategic road network. We want Transport Focus be able to survey and represent the views of road users in general, who may have sped down the motorway but come to a standstill in their town or city.

There are clearly challenges when it comes to data collection. One cannot stop a driver when he or she has just come off a motorway and say, "Please fill in this survey about your experience driving down that motorway." Well, I suppose one could, but one would not be very popular if one tried to do so. We know from Passenger Focus's experience that people's views change and tend to become less accurate, or perhaps less strident, the longer the time between the journey and when they are asked about it. E-surveys tend to be fairly self-selecting and might not build up an accurate picture of how all road users feel about the network. This will be the first time that we have access to evidence about the user experience of the road network, so it is important that we get it right. Can the Minister expand further on how sees it working?

The Opposition think that, for effective scrutiny, the Government must be more ambitious with the watchdog. We want to see it represent and advocate for the people and communities affected by the construction, management and operation of the strategic road network. We are particularly concerned about the effect on people's health, quality of life and the environment. I mentioned earlier the damning European judgment on the UK's air quality failure, and the clear and urgent risks posed by air pollution to the health of our communities and children. If the Government are going to set up a watchdog for the roads, it is sensible for that watchdog to have a remit to look at the effect of those roads on the environment and people's health. I urge the Minister to consider that closely. This is no time to adopt a business as usual approach.

The recent debacle around the 60 mph limit on the M1 managed-motorway scheme is a perfect example of why we need a watchdog to look at the issues and make recommendations to Government. A semi-permanent 60 mph limit was proposed by the Highways Agency in order to comply with air quality limits, but it was scrapped by the Government after it caused too much confusion. What has been the result? The limit has been dropped but the managed motorway is still going ahead and there will almost certainly be further infraction proceedings. We need to beef up the remit and powers of the passengers council to ensure that it is really a watchdog on Britain's roads. That is the main purpose of amendments 21 and 22.

5 pm

Mr Hayes: The hon. Gentleman seeks to give additional duties to the watchdog. I agree with him that it is essential that we have an effective watchdog that reflects the will and the wishes of road users. It certainly should ascertain what problems are in the system and champion

the views of users of the strategic road network. The provisions of the Bill will create a powerful watchdog. It will work to gather, understand and promote the views of transport users and its voice will be a powerful driver for accountability. However, it forms just a single part of a bigger system. Other parts of that system address some of the matters that the hon. Gentleman raised.

Of course, the environment is a critical issue, and we discussed it at some length earlier. It is absolutely right that local communities living near the network must be properly represented. Highways England will be expected to engage with action groups, councils, local MPs and others, as the Highways Agency does now. Indeed, as we discussed earlier, we have set out its responsibilities to engage with stakeholders in that way. That will ensure that it understands the effect that its network has on the surrounding community. The ongoing process of route strategies will ensure that those people will be able to shape the future of investment on the network, and influence developments in their area.

I do not want Transport Focus to duplicate work being completed elsewhere, especially in areas in which it is not an expert. It is important that Transport Focus does not lose focus but focuses, quite carefully, on the interests of road users, giving them a single voice for the first time. I do not want to distract it from that clear responsibility and I certainly do not want to give it things to do that it cannot reasonably be expected to do well.

Let us talk about the second proposal to gather the views of road users in general. Clause 8(1) ensures that the interests of users of the highway are protected and promoted, as the hon. Gentleman said, by the watchdog. The Government have already amended the Bill in the other place to clarify that the term "users of highways"—I am sure that he would have raised it had it not already been amended—includes cyclists and pedestrians. The watchdog will be considering the views of all users of the strategic roads network accordingly.

Clause 8(7) provides the watchdog with the ability to engage with the local road network, but only where the local highway authority invites it to do so. Councils are already accountable through the ballot box, and the watchdog's first priority must be to represent the users of the strategic network. It is right that the watchdog should have teeth and be effective but, in order to be so, it must have clear marching orders. The effect of the amendment might be to reduce the focus of the watchdog and muddy the waters, rather than making them as clear, transparent and healthy as they ought to be. The hon. Gentleman raises an important point but I feel that what he is suggesting is dealt with elsewhere in what we are proposing. On that basis, I ask him to withdraw his amendment.

Richard Burden: The Minister is correct that, partly as a result of discussions in the other place, Transport Focus's remit for considering, representing and giving voice to users of the strategic road network has expanded somewhat. It now deals with users who are not motorists. That is good, but it still leaves a glaring gap.

If a road user—again, I mean any kind of road user: a road trip motorist, an HGV driver, a cyclist, a motorcyclist, a pedestrian or a coach passenger—has a view about the condition of a road, they can go to Transport Focus. If they have gone to it before about a rail or a bus journey, it may have either taken up the

[Richard Burden]

issue directly or said, “The experience you raised is important,” and brought it to the attention of the bus company, the local transport authority, the train operating company or even Network Rail.

However, that member of the public may make exactly the same comment about their road journey and be told, “If your comment were about the bit of the road network a mile before the bit that you are complaining about, we would absolutely be able to take it up and feed it into our thinking, because it would have been in the strategic road network. However, I’m afraid your comment is about a bit that is called the local road network, over which we have no jurisdiction. We are Transport Focus for the strategic road network.” That would not give that member of the public confidence, and it does not make sense. Much of what we have talked about today has been about integration, including looking at different modes of transport together and looking at local roads and strategic roads together.

My hon. Friend the Member for Ellesmere Port and Neston asked some telling questions. He asked what would happen if there was a road-related transport issue that is slap-bang on the join between the strategic road network and the local road network. Let us remember that Transport Focus, as envisaged in the Bill, will not be either the monitor, because that will be the Office of Rail Regulation—its name may change during the passage of the Bill—or the regulator, because there will not be one. Transport Focus will be a watchdog, its role to ensure that road users’ voices are heard and taken into account. I therefore do not see the problem with saying that its job is to represent all road users.

Mr Hayes: I think that when the hon. Gentleman reflects on this matter over his dinner, he will conclude that it is not a great idea to have a watchdog over every local authority that has responsibility for local roads. To do that statutorily would be an error. I understand his argument, particularly on the interface between the strategic road network and the local roads. Let me invite him to agree this with me, and then perhaps he will withdraw his amendments. I am happy for local authorities to come to arrangements with the new body, Transport Focus, and look at how the work of that watchdog can relate to and add value to the work of the local highways authority. I am more than happy to agree that we should not only allow that, but encourage it where it is desirable. That would avoid the more heavy-handed approach of giving the watchdog a role in every local authority, and it will facilitate the benefits that the hon. Gentleman seeks to derive from his amendments. On that basis, I hope he will withdraw his amendment.

Richard Burden: I appreciate the Minister’s offer. If local authorities came to such an agreement with Transport Focus, it is something that I am sure we would both wish to encourage. If our amendment is unsuccessful, perhaps that is what would need to happen. I still do not think it meets the essential point. The amendments have two fronts. The first says that part of the objective of Transport Focus, in being the watchdog and representing the road user, should be to consider the affected communities located near the highways for which the

highways authority is responsible. This is not just about local authorities; it is about communities in the vicinity. I see no reason why we cannot do that.

The second thing is about ensuring that the views of road users are understood and advanced so that they have a voice with the strategic company. Again, I do not see that as a problem, because we are not talking about a regulator; we are talking about providing a voice for road users. I do not see that this needs to be any more complicated for roads than for other modes of transports. At the moment, Passenger Focus—Transport Focus, as it is now—could have an interface with passenger transport authorities, Network Rail, train operating companies or bus companies. Any or all of those come within its remit, and it does not have a problem with that.

I do not see why there is a problem in saying that that watchdog voice can be put forward anyway, whether in relation to local authorities, the strategic highways authority or, indeed, Ministers and the Department for Transport generally. Again, we are not saying that any of those bodies have to respond, agree or do everything they are told by Transport Focus, but why should we not empower Transport Focus to be what it is cracked up to be in relation to this Bill, which is the voice of road users? If it is going to be the voice of road users, we should not limit that by setting out the kinds of roads on which it can have a voice.

Mr Hayes: If I may come back one more time, hopefully we might be able to resolve the issue. For the first time today, I think the hon. Gentleman is on the wrong side of the argument, and I will tell him why. The purpose of setting up the watchdog is very much in the spirit that has been agreed across the Committee. In establishing Highways England, it is important to build lines of accountability and the checks and balances that would be expected of such a body. Local highways authorities ultimately have many of those lines of accountability. They are democratically elected bodies, with local councillors who are responsible for particular localities and have a keen interest in the interests of their constituents and the roads they use.

If we interfered in the process in the way that the hon. Gentleman’s amendment would, how would he feel if he were a local county councillor and Transport Focus turned up and started getting involved in a local road traffic issue, perhaps without his knowledge or involvement? I do not think he would be very pleased, and I certainly would not be very pleased either. The amendment is a duplication of functions that would add to their responsibilities in a way that would make it very difficult for them to exercise those responsibilities effectively in areas where it will not necessarily have expertise. The amendment would both muddy the waters and create a potential conflict with the highways authorities. It is fine if that is voluntary, it is fine if there is a good relationship and it is fine where there is a connection between their responsibilities and the responsibilities of a local authority, but I think it is too heavy-handed. The hon. Gentleman should think about withdrawing his amendment.

Richard Burden: We have hit a point where there is genuine disagreement across the Committee. To answer his direct question, would I have a problem with this as a local councillor? I do not think I would. In fact, the whole purpose of considering such things as the

implementation of the local sustainable transport fund is that local authorities are urged to engage with all the bodies and organisations that could have a say. Good local authorities do engage with cycling, pedestrian and motorists' organisations and other groups in working out how the money should be established.

5.15pm

Those are voluntary organisations. Transport Focus is not. It is set up under statute and, particularly because of that, the public will or should have heard of it. It has expertise as watchdog. If it were to be a regulator, the Minister's argument would have a great deal of force, but it is not. It is about providing a voice and trying to get road users' input into decisions about roads. Ordinary people out there do not draw the distinction between strategic and local road networks. They want it to be clear that the roads work and that they will not be held up in congestion. If there are problems with potholes, they want to be able to raise that. If we can enable this body to be yet another champion for them, that is a good thing. On that basis, I want to press the amendment to a vote.

Question put, That the amendment be made.

The Committee divided: Ayes 7, Noes 10.

Division No. 3]

AYES

Blackman-Woods, Roberta	Raynsford, rh Mr Nick
Burden, Richard	Ruane, Chris
Greatrex, Tom	Whitehead, Dr Alan
Jones, Graham	

NOES

Coffey, Dr Thérèse	Newmark, Mr Brooks
Hayes, rh Mr John	Parish, Neil
Heaton-Harris, Chris	Rudd, Amber
Jenrick, Robert	Williams, Stephen
Kwarteng, Kwasi	Zahawi, Nadhim

Question accordingly negated.

Clause 8 ordered to stand part of the Bill.

The Chair: Before we continue, the bell is about to ring. The indication that I have received, which the Committee has probably also had, is that there will be more than one Division. If that is so, given that we have effectively been sitting since 2 o'clock, with a short break for a Division, and that the staff need to be considered as well, I will suspend until 6 o'clock to give everyone a break after having voted. We will then sit again at 6 o'clock for as long as the Committee wishes.

Dr Thérèse Coffey (Suffolk Coastal) (Con): On a point of order, Sir Roger. If there is only one Division, will that still be the case?

The Chair: You may know more than I do.

Dr Coffey: I know nothing.

The Chair: The notice said "Divisions". If there is one Division, we will suspend until 15 minutes after the start of the Division. If there is more than one Division, we shall suspend until 6 o'clock or for 15 minutes after 6 o'clock, depending on how many Divisions there are.

Clause 9

MONITOR

Richard Burden: I beg to move amendment 23, in clause 9, page 6, line 22, leave out "Office of Rail Regulation" and insert "Office of Road and Rail Regulation"

The Chair: With this it will be convenient to discuss the following:

Amendment 24, in clause 10, page 7, line 2, leave out "Office of Rail Regulation" and insert "Office of Road and Rail Regulation"

Amendment 25, in clause 11, page 7, line 12, leave out "Office of Rail Regulation" and insert "Office of Road and Rail Regulation"

Amendment 26, in clause 12, page 7, line 32, leave out "Office of Rail Regulation" and insert "Office of Road and Rail Regulation"

Richard Burden: As well as a watchdog, which the Committee has just discussed, the Bill also establishes a monitor to scrutinise the company's performance and efficiency in delivering the road investment strategy and meeting the requirements in the performance specification. This is the area of the Bill where I am pleased to say that Ministers have already moved some considerable way, for which I am grateful.

The monitor will now have the regulatory power to sanction the company, including through improvement notices and fines: the Transport Committee and many external stakeholders were calling for this and in the other place the Opposition Front Bench pushed for it too. For the credibility of the Office of Rail Regulation in its new role, it is critical that these changes happen and the role is expanded expansion. The amendments are about clarifying what that role should be, because there is still a degree of confusion about it at the moment.

We know that Passenger Focus has been renamed Transport Focus, to accommodate the roads remit, but the Department has said that it does not, so far, wish to rename the Office of Rail Regulation. After saying that additional powers had been given to the Office of Rail Regulation so that it can be much more a true monitor, the Minister in the other place was in danger of contradicting herself. *[Interruption.]* I would not suggest that the Minister here was contradictory: heaven forbid! The Minister in the other place contradicted herself on Report by stating that the Office of Rail Regulation will not be regulator of the roads and therefore it cannot be renamed. I thought about that and then thought about it again, and then I thought about it the other way round, and it still does not make any sense to me, because if the Office of Rail Regulation has regulatory powers over the company, it is a regulator of sorts. It may not be the only regulator—we have already talked about the importance of the clearest line of accountability: the biggest regulation of all will come from Ministers accountable to Parliament—but the Office of Rail Regulation must be a regulator of sorts, if it can issue some kind of regulatory sanction. Some legal definition of what an economic regulator is may be holding the Department back, but if there is such a definition, that is not of huge public concern.

[Richard Burden]

I know that ORR flits off the tongue relatively quickly and ORRR may be a bit of a tongue-twister, so perhaps we need to think of a different name. The important thing is that the public know what we are talking about. There is something a bit weird when they are told that there is this brave new world, with a new strategic highways company with an eminently sensible name, Highways England, that is meant to do what it says on the tin, which is to look after—well, 2% of the roads in England, but we will let that pass. That makes sense. Transport Focus gives an idea that this is the watchdog for road users and, despite our arguments about whether it is local roads or strategic roads, or both, they would get the sense that Transport Focus probably includes something about roads. However, when they are told that the new system is going to work really well because there will be a statutory monitor in place to make sure that the delivery of roads is happening properly, and they ask, “What’s it called?”, they will be told that it is called the Office of Rail Regulation. I would find that a little strange, particularly as the body will have pretty similar powers to monitor roads as it does for rail.

Will the Minister provide us with further details about that? Can we start thinking about a name that actually means something to the public and to hon. Members as well? Could he provide a few more details about function and the relationship between the monitor—whatever it is called—and the National Audit Office, the Public Accounts Committee and the Transport Committee? Whatever he sets up, all those bodies will have important scrutiny roles in relation to the spending of public money on the strategic road network. I hope that he will be able to provide a few more details about what the relationship will be. He has made it clear today that he expects to appear before the Transport Committee to account for things that Highways England does, but it would be useful to know whether the Transport Committee could summon Highways England as well. What about the Public Accounts Committee and what will be the role of the National Audit Office?

Will the Minister also let us know whether he is satisfied that the new bodies—I include Transport Focus and the newly formed Office of Rail Regulation with responsibility for roads—will have the capacity and resource to fulfil their roles and duties to the high standard that is expected? Not only do they need to do that because the job needs doing, but, from a public confidence point of view, one of the worst things would be for problems to be identified, but the bodies that are meant to either raise issues around that from a watchdog point of view or to provide the economic regulation and report to Ministers, cannot do that properly simply because they have not got the organisational capacity to do so.

I think that there is a consensus about the need for rigorous scrutiny and some kind of body that regulates the new arm’s length company. I put it in those terms rather than “regulatory body” in case that has some kind of specific legal meaning. If there is that consensus, it is important that we get to the bottom of it in Committee and do what we can in this place to get it right. We must ensure that those bodies are in place,

that they have the capacity to do their jobs in the way that they need to, that they have public confidence to do their jobs effectively and that they are called something that people understand.

5.28 pm

Sitting suspended for Divisions in the House.

6 pm

On resuming—

Mr Hayes: I can deal with the specific questions that the shadow Minister raised quickly. The monitor, the ORR, does not replace any of the functions that the bodies deliver. Both Ministers and Highways England will continue to be called before the PAC or the Transport Committee. The new body will remain directly accountable in that way.

The issue of the name was the substantial point raised by the hon. Gentleman and that was reflected in his amendments, and I agree with him. It is not always true that names need to follow functions—think of the Lord Privy Seal, or the Chancellor of the Duchy of Lancaster, or the Postmaster General—but generally speaking, it is better when names suggest function. He is right that the Office of Rail Regulation does not really suggest the function of monitoring the new body, Highways England. Subject to discussions with the ORR, I will take steps to deal with that. This amendment is not the best way of doing that, because, in legislative terms, it does not achieve the objective that we both share. I will reflect further on that with a view to coming back with proposals on how we can do that. On that basis, I hope that he will withdraw the amendment.

Richard Burden: That is very helpful indeed. Having a name for the body that is understood outside is going to be very important, so on the basis of the Minister’s assurance, I beg to ask leave to withdraw the amendment.

Amendment, by leave, withdrawn.

The Chair: Just to be clear about this, because amendments 24, 25 and 26 are effectively the same amendments, do I take it that the hon. Gentleman is satisfied with regard to those as well and that he does not want to rattle through the clauses?

Richard Burden *indicated assent.*

Clause 9 ordered to stand part of the Bill.

Clauses 10 to 13 ordered to stand part of the Bill.

The Chair: Mr Hood will be in the Chair on Thursday morning and the Committee is not sitting on Thursday afternoon, so I shall see you again on Tuesday 6 January next year. In the interim, have a wonderful Christmas and a happy new year.

Ordered, That further consideration be now adjourned.
—(Dr Coffey.)

6.3 pm

Adjourned till Thursday 18 December at half-past Eleven o’clock.

Written evidence reported to the House

IB 01 Civil Engineering Contractors Association

IB 02 Woodland Trust

IB 03 TravelWatch Northwest

IB 04 Council of Property Search Organisations (CoPSO)

IB 05 Transport Planning Society (TPS)

IB 06 Living Streets

IB 07 Water UK

