

5: Integrating transport and local economies

Transport is a key element of local economic development and should be directed to satisfy both the needs of passengers and wider local strategic requirements. As such, rail and buses need to be brought under more national and local state control.

The challenge

In terms of the economy, the case for improved transport and connectivity and its role in creating competitive advantage has been made on many occasions. However, place competitiveness is not just about goods and services and getting people into work, it is also about a network and flow of people and enhancing wider wellbeing. This connectivity is the basis of future resilience.

Under-investment in transport in some parts of the country has long been recognised. The cost of the railways to the taxpayer since privatisation in 1993 has more than doubled in real terms, partly due to shareholder dividends. Furthermore, rail privatisation and the franchising of services has seen a significant splintering of provision and created difficulties in terms of national co-ordination.

Bus deregulation has also created huge difficulties in terms of a short-term profit motive overriding wider strategic issues around economic development and social need. The inability of the local public sector to plan routes and set fares means a key arm of local place stewardship is undermined.

What needs to be done?

Transport should be fully integrated and woven into wider local economic and place strategies. To achieve this we need more integration and the following needs to happen:

Renationalisation of railways and local regulation of buses

The considerable splintering of services through franchising has created significant problems in terms of coordination and value for money. Lessons for the East Coast mainline, which was effectively nationalised in 2009 but which returned to private operation in March 2015, would suggest that nationalisation can be achieved and work with favourable results.

In addition, power over local regulation of buses should be returned to transport authorities and/or local government.

Various parts of the transport network should be devolved to local areas, bringing together all modes under single city regional or pan-regional democracy.

City regional and pan-regional transport ownership

Moves have already begun, through devolution, to plan and fund a transport system which integrates bus and rail services (i.e Greater Manchester).

This should be advanced and various parts of the transport network should be devolved to local areas, bringing together all modes under single city regional or pan-regional democracy. This would include the local state ownership of railways according to city regional and/or pan regional transport groupings.

The full Manifesto for Local Economies
can be viewed on the CLES website, [here](#).