

**JONATHAN BRAY**



# Are we moving to nano management?

We're entering a claustrophobic world of micro-economics, narrowed horizons, central control and fragmented approaches

► In the summer there were high hopes that Covid-19 would be a short war in which the worst would soon be over and victory was in sight. Having won the war we could then go onto win the peace by making some of the wartime measures (like a big shift to cycling) part of the new society we would build. Pre-war objectives were still firmly in place - plugging left behind towns back into the rail network, a green new start for the bus, levelling up and a green recovery. FDR's New Deal was name-checked as the territory we were moving into. In some ways the mood was expansive and optimistic.

However, as the Covid war drags on it feels like horizons have shortened to getting through the slog of trench warfare with the virus until the point at which we can drop the vaccine A-bomb on it. There's less energy around to think about the post-Covid world - including what the macro economic policy is going to be. Instead we seem to be entering a more claustrophobic world of micro-economics, narrowed horizons, central control and fragmented approaches.

Before I say why, I want to disagree with those that argue that HMT involvement in transport decision making is always a bad thing. In my discussions with HMT over the years they often take a far more clear headed and rational view than the Department for Transport. For example, HMT have seen the case for bus support but never understood the rationale for pumping that money into poorly

regulated monopolies instead of a contacted system where they could see what they were getting for their money. By way of contrast DfT tends to be siloed by mode and within each silo the default position (with honourable exceptions) is to act as the envoy within wider government for whatever the current status quo or controlling interests are within that sector.

However, the problem is that at present not only is the macro-economic approach to the crisis unclear, the scale of it has meant the Treasury has reverted primarily to bean counting mode as it attempts to keep the hurdles high for access from various parts of the economy or society for a Covid bail out, whilst simultaneously seeking to keep the hurdle low for ending that bail out as soon as possible.



This means we now have two government departments (DfT and HMT) crawling over the detail of funding detail for each mode in isolation - and where there is a political backdrop (which there is with Transport for London) we also have Number 10 too.

Meanwhile, unlike the heady days of the summer when councils were told to move fast to turn capacity over to active travel local government is now being told it must jump through numerous hoops on local traffic schemes as the government in effect wants to second guess decisions on paving stones and the position of white paint on high streets from Penzance to Peterlee. And whilst long term multi-year funding for big national infrastructure (like the climate-deaf and bloated national roads programme) appear to be intact, the one-year horizon of the spending review means that longer term funding for local public transport and active travel is curtailed. In short, on local urban transport we are in danger of moving from micro management to nano management.

## Come fly with me?

The second lockdown is a further hammer blow to airports and the aviation industry. And that's creating a lot of ripples for the economy and for land transport policy which we perhaps haven't been thinking enough about. Prior to the crisis it was the norm that everywhere needed an airport - even if it was more status symbol than somewhere that tempted many planes to drop down out of the skies to touch down. And if a place already had an airport - it needed to be bigger: a lot bigger. If you have an airport what follows is a cluster of brown or greenfield development springing up around it. And if you have all that then you need new and bigger roads - and better public transport links. Before you know it you have an 'aerotropolis' (be it big or small) and local transport investment plans end up with big chunks netted off for improving links to the local airport.

But the boom times are over. Airport expansion plans are by and large dead or on hold. And there is a sense those airports which are pressing ahead with their growth proposals are only doing so to get permission in the bag rather out of any conviction that they will need it any time soon. The industry's emergency landing is also taking place at a time when climate concerns are taking off - especially with

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Joe Biden now in the pilot's seat in the US.

More widely Britain may have given up on a state-driven attempt to dominate the jet age decades ago and the supersonic era started and finished with Concorde (the Apollo moonshot of aviation) but Aerospace is still one of the sectors that keeps us in the global economic premier league. It employs over 100,000 people directly, and over 220,000 indirectly. It's also one of the UK's largest exporters adding around £2.8bn annually to the UK balance of trade. All of this plays out not just in the economies of places near to the big airports (from Whythenshawe to Hillingdon) but in aerospace towns and cities like Derby and Preston.

So what might this mean for policy change? Any bailouts for the aviation industry should come with green strings attached, including on the fuels they use and also in relation to a shift in policy on rail.

I've said before that I have no idea, why, if the railways are now effectively state-owned and planned, all you would do with that opportunity is keep puppeteering the waxy corpse of rail privatisation with its cacophony of make believe brands in the pointless pretence that there is some kind of dynamic competitive market. And at the same time you are doing this why would you simultaneously let an infrastructure company with a reputation for insularity and unresponsiveness creep into the role of deciding what passengers and places want from their railways?

Why not instead use the opportunity to re-create a coherent national branded intercity network again, part of whose remit would be to eliminate domestic air travel wherever possible? This is what we are already seeing as part of airline bailout deals and wider transport policy in places like Austria where, as part of the national flag carriers bail out package, the airline is required to cut its domestic emissions by half by 2050 and to end flights where there is a direct train connection to the airport that takes considerably less than three hours. As a result there are no flights anymore between Vienna and Salzburg but instead there is a first rate rail service.

Indeed the Austrians are becoming the train daddy of Europe. When state operators like SNCF and DB trashed what was an extensive and inter-connected night train network in western Europe, Austria heroically kept the night train concept going by filling some



A visualisation of an expanded Heathrow Airport

## “Perhaps too we will see a more planned approach to airport capacity”

of the gaps. They did this long enough for governments across Europe to realise the extent of the folly that had been committed and to pledge to start to reverse the process.

Meanwhile, as Covid and its consequences adds another layer of anxiety and procedure to air travel (and more businesses realise less flights are necessary for staff) then it will be some time, if ever, before passenger numbers return. Quality may also make a comeback over quantity as prices rise and packing people into cramped terminals and planes becomes less acceptable. Economic and transport plans predicated on an exponential rise in airline passengers may also need a rethink. It may be that securing, decarbonising and civilising the existing aerotropoli (and the jobs that depend on them) becomes more of a priority than further expansion.

Perhaps too we will see a more planned approach to airport capacity in order to

safeguard the economies of those reliant on what we already have rather than the decades long cagey game of chess as the big airport operators manoeuvre and scheme for the approval of ministers and planning inspectors whilst the passing of the years grinds down the resistance of those under the flight paths. Will we also see a move away from turning airfields last used by RAF bombers into departure points for a limited repertoire of junk flights where most of the revenue comes not from the crazy cheap ‘what climate crisis?’ fares the airlines charge, but from the long stay car parks and the on-site retail.

We shall see. But one thing is for sure, less contrails in the skies will require more thinking about what happens to the runways, roads and rails below. ■

### ABOUT THE AUTHOR

▶ Jonathan Bray is the director of the Urban Transport Group. Throughout his career in policy and lobbying roles he has been at the frontline in bringing about more effective, sustainable and equitable transport policies.