

Rt Hon Chris Grayling MP  
 Secretary of State for Transport  
 33 Horseferry Road  
 London  
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8 August 2016

Dear Secretary of State,

**The ‘North First’ path to sustained economic success**

Many congratulations on your appointment as Secretary of State for Transport.

The Prime Minister’s aspiration to build a better Britain must begin with building a better North. While the previous Chancellor’s approach to the Northern Powerhouse had some shortcomings, the priority given to transport infrastructure was key and the developments made through Transport for the North represent significant progress.

Connectivity between and within the Northern city-regions is vital for enhancing productivity, expanding local labour markets and unleashing innovation. IPPR North has calculated that if we could only halve the output gap between the North and the national average then the economy would be £34 billion better off. This means more jobs, better wages and reducing dependency on the state.

But our analysis of the National Infrastructure Pipeline, which we are publishing today, reveals a continuing spending gap between the North and the capital:

	<b>SPEND</b>	<b>SPEND PER CAPITA*</b>	<b>SPEND PER COMMUTER**</b>
<b>London</b>	£17,063,246,127	£1,869	£4,271
<i>London without Crossrail</i>	<i>£12,450,144,254</i>	<i>£1,364</i>	<i>£3,117</i>
<b>Crossrail</b>	£4,613,101,873	£505	£1,155
<b>East of England</b>	£2,347,011,109	£375	£935
<b>North East</b>	£806,352,394	£304	£802
<b>South East</b>	£2,662,220,173	£289	£713
<b>North West</b>	£2,100,763,232	£289	£740
<b>North</b>	<i>£4,258,370,496</i>	<i>£277</i>	<i>£710</i>
<b>West Midlands</b>	£1,563,033,104	£266	£696
<b>Yorkshire &amp; the Humber</b>	£1,351,254,870	£247	£629
<b>South West</b>	£1,227,418,171	£219	£576
<b>East Midlands</b>	£924,321,977	£193	£481

\*2016–2021 average.

\*\* Commuters to and from the region in 2011.

Transport for the North and the National Infrastructure Commission are now identifying clear priorities but warm responses about jam tomorrow is simply not enough.

We are today urging you to take a 'North First' approach to your new role with four key priorities:

- First, at the Autumn Statement, you must **commit to £50 billion new capital investment in both road and rail priorities in the North**. This is the only way to unlock the vital private and foreign investment that such schemes will ultimately need.
- Second, you must **persuade Treasury colleagues that the current method of transport appraisal and spending is not suited to driving economic growth**. New forms of appraisal being developed in the North will capture wider benefits and devolving 10-year budgets will make for much more effective long-term planning.
- Thirdly, **air pollution is a growing problem** across the UK's cities, in the North as throughout the country. Contrary to industry claims, the evidence shows that fumes from vehicles kill 40,000 people a year. The cost of illness and premature death to the NHS and the economy is more than £20 billion a year. The landmark 1956 Clean Air Act cleaned up the killer coal smog that blighted our big cities. Working with the new Secretary of State for Business, Energy and Industrial Strategy and Secretary of State for the Environment, you should support a new Clean Air Act to leave a radical legacy for generations to come.
- And fourthly, you must ensure the smooth passage of the **Buses Bill** through parliament. Bus franchising is the single, most visible transformation in public transport that can be achieved with city mayors in the lifetime of this parliament. It is precisely the kind of improvement that will be felt most by ordinary people.

Airport capacity and HS2 will take up much of your attention as you enter this new role, but taking a North First approach will be key to guaranteeing long-term, sustainable economic success for our whole nation.

**To this end, we would like you to join us on a trip across the North to show some of the problems with the existing infrastructure and to meet businesses and commuters whose productivity is affected by the challenges we face each day.** We are happy also to facilitate meetings with transport influencers, such as candidates for Metro Mayors. I look forward to hearing from you.

Yours sincerely,



Ed Cox

Director, IPPR North