

BRIEFING NOTE

Briefing for the All-Party Parliamentary Group for Cycling and Walking: Inquiry on Cycling and Walking Investment Strategy 2

1 September 2021

Scope of briefing

1 The House of Commons' All-Party Parliamentary Group for Cycling and Walking has launched an inquiry into the Department for Transport's (the Department's) forthcoming Cycling and Walking Investment Strategy 2 (CWIS 2).

2 To support this inquiry, we were asked by the All-Party Parliamentary Group for Cycling and Walking to contribute a note based on our expertise in auditing programmes and projects. We have not undertaken an audit or any additional work on how government aims to support cycling and walking. This note draws on our experience of auditing government programmes and expertise in major project delivery.¹ We draw from our back catalogue of work looking at the delivery of other transport priorities and examining the relationship between central and local government. While local authorities can act as a delivery partners for central government, they are also locally democratically accountable bodies focused on local priorities. We identify lessons from this work, but do not prescribe a specific way in which CWIS 2 should be delivered. This note covers the following themes that are relevant to the inquiry:

- Setting the strategic direction.
- Programme and project management.
- The relationship between central and local government.
- Cross-government working and wider policy support.

Introduction

3 In summer 2020, the government set out its intention to transform the role that cycling and walking can play in the transport system.² The potential benefits that can be achieved from increased cycling and walking include improving air quality, combating climate change, improving health and well-being, and tackling congestion on roads. The government has announced that it intends to increase spending on cycling and walking, providing £257 million of funding in 2021-22, with further funding set out at the 2021 Spending Review. A four-year cycling and walking investment strategy (CWIS 2) is expected to be published after the 2021 Spending Review.

1 Our reports and good practice guidance related to Major Project Delivery can be found on our website at: www.nao.org.uk/knowledge/major-project-delivery/

2 Department for Transport, *Gear Change: a bold vision for cycling and walking*, policy paper, July 2020.

4 Although the Department sets the strategic direction for cycling and walking, most measures targeted at pedestrians and cyclists are implemented by local authorities. The Department sets policy and investment priorities and provides guidance and some funding to local authorities. Depending on the scheme, local authorities have varying levels of flexibility in how these schemes are designed to fit local needs. Local authorities can also determine local transport policies and objectives in line with local priorities and are responsible for 98% of publicly owned roads in England.

Setting the strategic direction

5 We have identified good practice in setting a strategic approach in a complex, devolved system such as local transport. In 2020 we reported on *Improving local bus services in England outside London* and examined whether the enablers were in place for local authorities to realise the long-term, sustained improvements intended by the Department.³ We identified lessons from our work that the Department can learn from in leading change. These success factors, which may be relevant as the Department prepares CWIS 2, are:

- a shared vision for all parties involved to work towards;
- consistent decision-making in line with the vision to give local authorities confidence that government is behind them as they commit resources to long-term improvements and to focus decision-making on the overall aim, especially when trade-offs need to be made;
- long-term funding certainty to give authorities confidence to embark on long-term investment improvements knowing that the revenue stream will be maintained;
- a detailed, transparent delivery plan to demonstrate how actions will lead to outcomes and to guide activity;
- setting clear responsibilities and accountabilities to clarify which parties are expected to deliver which actions and how their performance will be judged;
- good quality data and measures of success that will show whether progress is on track;
- sustained support from the centre of government to provide momentum and consistent decision-making between departments; and
- effective understanding and management of risks at all levels.

³ Comptroller and Auditor General, *Improving local bus services in England outside London*, HC 577, Session 2019–2021, National Audit Office, October 2020.

Programme and project management

6 The first cycling and walking investment strategy (CWIS 1) supported a number of programmes dedicated to cycling and walking, in addition to larger government local transport programmes that included walking and cycling. The government has said it intends to create a long-term cycling and walking programme and budget through CWIS 2. Our work has identified common factors which contribute to the successful delivery of programmes and projects. In November 2020, our report *Lessons learned from major programmes* drew together our insights on the common problems we see across government.⁴ Building on these insights, in April 2021, we republished our *Framework to review programmes*. This outlines the questions we may ask for programmes we review, along with case studies of what we have seen.⁵ This framework can be applied to programmes or individual projects (Annex 1). We set out below aspects of our framework that may be relevant to CWIS 2.

7 **Is it clear what objective the programme is intended to achieve?** Clear and coherent objectives, agreed early in a programme, enable bodies to make good decisions about how to deliver the intended impact and how to focus resources and plan the programme to achieve this. A programme's scope and plan should align with its objectives. Where there are multiple objectives, these should be coherent, with any tensions recognised. Our 2020 report *Achieving government's long-term environmental goals* found that government's 25-year Environment Plan brought together government's environmental commitments and aspirations but did not provide a clear and coherent set of objectives.⁶

8 **Have the right people bought into the programme, such as users, suppliers, those who have to implement it?** Stakeholders need to be identified and engaged, and their influences understood. Bodies should look to recognise stakeholder concerns and actively consider them in the design of a programme. For example, our 2011 report *The failure of the FiReControl project* found that the approach and regional structure underpinning the project were not generally supported by the Fire and Rescue Services that were essential to its success.⁷

9 **Does the programme have a plan to deliver benefits, and is this being implemented?** A programme should have clearly defined benefits that are based on realistic assumptions and can be measured. We have found that central government programmes are often intended to achieve benefits that will need to be delivered by other parts of government. When a programme is intended to have wider benefits, a plan should be put in place setting out how these benefits will be achieved and who is responsible.

4 Comptroller and Auditor General, *Lessons learned from Major Programmes*, HC 960, Session 2019–2021, National Audit Office, November 2020.

5 National Audit Office, *Framework to review programmes Update April 2021*, April 2021.

6 Comptroller and Auditor General, *Achieving government's long-term environmental goals*, HC 958, Session 2019–2021, National Audit Office, November 2020.

7 Comptroller and Auditor General, *The failure of the FiReControl project*, HC 1272, Session 2010–2012, National Audit Office, July 2011.

10 **Is the programme sufficiently flexible to deal with setbacks and changes in the operating context?** Programmes should be flexible to changes both within their external and internal environment and ensure that programme management changes as the programme develops. Bodies should consider the different types of activity required by a programme and the different risks that may emerge at the different stages. This understanding can help guide planning for how management arrangements may need to change as the programme progresses, including the types of skills and capabilities an organisation may need and in what way a sponsor body might need to intervene if the programme goes off-track.

The relationship between central and local government

11 Government has stated that it wants to enable, encourage and empower local authorities to help achieve its vision for cycling and walking. Local authorities implement most measures targeted at pedestrians and cyclists. They receive and can bid for central government funding to support these activities and are responsible for their delivery.

12 In this section we set out some observations from our work in the areas of:

- local authorities' ability to deliver; and
- understanding the local context.

Local authorities' ability to deliver

13 Our reports have identified several factors that can limit the ability of a local authority to effectively implement the projects and schemes which support government policy. These factors, which may be relevant as the Department prepares CWIS 2, include:

- **Financial pressures.** In 2018, our report *Financial sustainability of local authorities* found that spending by local authorities on transport had fallen sharply.⁸ Since then, our 2021 report *Local government finance in the pandemic* found that cost pressures for local authorities were expected to increase due to the pandemic, whilst local authority income was forecast to reduce. We found a funding gap with many local authorities 'under-funded' relative to the pressures they reported. Notwithstanding government's financial support to the sector during the pandemic, the financial position of local government remains a cause for concern. For many local authorities, spending is increasingly concentrated on statutory duties.⁹

8 Comptroller and Auditor General, *Financial sustainability of local authorities*, HC 834, Session 2017–2019, National Audit Office, March 2018.

9 Comptroller and Auditor General, *Local government finance in the pandemic*, HC 1240, Session 2019–2021, National Audit Office, March 2021.

- **The nature of funding.** One of the Department's main levers for influence at a local level is short-term capital funding pots to fund specific improvements, usually distributed through competitive bidding by local authorities. Our 2018 report *Financial sustainability of local authorities* cautioned that the whole local authority funding landscape was increasingly characterised by one-off and short-term initiatives and our wider work has found that the nature of such grant funding can hinder value for money.¹⁰ Our 2021 report *Local government and net zero* found that while competitive bids can help focus funding on the best projects, a funding landscape that is dominated by competitive funds may risk inhibiting overall value for money by making it difficult for local authorities to plan effectively over the medium- to long-term. It can also mean that local authorities that have successfully won funding continue to win most of the funding because they have people with the expertise and time to identify suitable grants and apply.¹¹
- **Lack of capacity and capability.** Between 2010-11 and 2018-19, spend by local authorities on all local transport reduced by around 40% in real terms and is likely to have led to reductions in experienced transport planning staff as spending was reprioritised. Our 2020 report *Improving local bus services in England outside London* found that the Department was concerned about local authority transport planning capability and that diminished capability and capacity in local authorities' transport planning teams was a key reason for the slow pace of improvement, in this case for bus services.¹² Our 2021 report *Local government and net zero* also found that the limited capacity and capability in local authorities may impact their ability to incorporate net zero into their existing functions, such as transport planning.¹³
- **Engagement between central and local government.** Ongoing communication between central and local government is important so that local authorities can feed their front-line experience into the design of schemes and initiatives where government expects local delivery to be a key feature. We have seen examples of good engagement; for example, our 2021 report *Local government and net zero* found that the Department invited local authorities to contribute to its strategy for decarbonising transport through open and targeted consultations.¹⁴ Lack of consultation can impact outcomes. Our 2021 report *Reducing carbon emissions from cars* examined the funding made available to local authorities to support the installation of on-street residential charge points. Uptake of this funding was low and local authorities told us that the scheme had been designed without sufficient consultation and, as a result, was difficult to bid for.¹⁵

10 Comptroller and Auditor General, *Financial sustainability of local authorities*, HC 834, Session 2017-2019, National Audit Office, March 2018.

11 Comptroller and Auditor General, *Local government and net zero*, HC 304, Session 2021-22, National Audit Office, July 2021.

12 Comptroller and Auditor General, *Improving local bus services in England outside London*, HC 577, Session 2019-2021, National Audit Office, October 2020.

13 Comptroller and Auditor General, *Local government and net zero*, HC 304, Session 2021-22, National Audit Office, July 2021.

14 Comptroller and Auditor General, *Local government and net zero*, HC 304, Session 2021-22, National Audit Office, July 2021.

15 Comptroller and Auditor General, *Reducing carbon emissions from cars*, HC 1204, Session 2019-2021, National Audit Office, February 2021.

Understanding the local context

14 Our reports often find that consultation at local level with communities and stakeholders can help ensure schemes are appropriate and consider local knowledge and circumstances. Our 2020 report *Improving bus services in England outside London* found that long-term locally-led interventions that enjoyed wide support, particularly those which target congestion and journey reliability, were the most successful in improving service viability and uptake.¹⁶

15 In contrast, insufficient consultation can lead to problems. For example, in response to the COVID-19 pandemic, the Secretary of State for Transport announced a £250 million emergency active travel fund designed to support local authority infrastructure investment for cycling and walking. However, in our *Departmental Overview 2019-20: Department for Transport* we reported that the Secretary of State and others raised concerns that some interventions using the fund, which were made very rapidly, lacked adequate consultation and may have exacerbated congestion in certain areas.¹⁷ To address this, the Department has said it would put in place more stringent requirements to ensure proper consultation on schemes for subsequent funding.

16 Our 2020 work on *Transport accessibility to local services* found that there is more that central and local government could do to use data to inform decision making on the provision of local transport and associated infrastructure. The quality and quantity of journey data are highly variable across England, and better collection and use of such data could help develop an integrated local transport system that meets the needs of its users in specific local contexts.¹⁸

Cross-government working and wider policy support

17 There are many links between cycling and walking and other government objectives, such as reducing obesity. The Cycling and Walking Investment Strategy Expert Committee set up under CWIS 1 had a role in monitoring wider government ambitions and programmes relating to cycling and walking.

18 Our work has found that place-based approaches (such as the Transforming Cities Fund), which aim to consider the wider context of a place in developing schemes to change outcomes, present an opportunity for progress to be made across multiple government objectives.¹⁹ Considering changes as part of a wider programme of investment rather than individual projects can support multiple objectives and improve value for money of departments' activities. HM Treasury has committed to making a stronger link between funding and outcomes in the Spending Review, including a Shared Outcomes Fund to encourage departments to work together where resources applied by one department can lead to benefits in another policy area.²⁰

16 Comptroller and Auditor General, *Improving local bus services in England outside London*, HC 577, Session 2019–2021, National Audit Office, October 2020.

17 National Audit Office, *Department for Transport 2019-20 Departmental Overview*, December 2020.

18 National Audit Office, *Transport accessibility to local services: a journey time tool*, October 2020.

19 Comptroller and Auditor General, *Improving local bus services in England outside London*, HC 577, Session 2019–2021, National Audit Office, October 2020.

20 Comptroller and Auditor General, *Improving government's planning and spending framework*, HC 1679, Session 2017–2019, National Audit Office, November 2018.

19 Our work has identified several factors which limit the effectiveness of cross-government working. These include:

- a weak understanding of local service delivery and the interactions between service areas across different departments;
- inconsistent goals and messaging across departments;
- a lack of influencing power when strategic direction and funding are provided by different departments;
- inclusion of projects in programmes without specified objectives related to the programme. This can lead to difficulties monitoring outcomes across multiple departments' objectives; and
- fragmented accountabilities.

20 In Annex 2, we draw on our back catalogue to exemplify these challenges faced by departments in cross-government working.

Annex 1 – Factors affecting the delivery of projects and programmes

21 Our 2021 *Framework to review programmes* sets out the questions we may consider when we audit projects and programmes. This framework draws from our experience of around 200 studies reviewing public sector programmes since 2010. A summary of these questions is shown below in **Figure 1** overleaf.

Figure 1 National Audit Office's framework to review programmes

The framework is structured into four elements and 18 questions



Annex 2 – Factors affecting the effectiveness of cross-government working

22 Our back catalogue of published work includes examples that highlight the challenges inherent in cross-government working, which can limit success:

- Our 2020 report *Improving local bus services in England outside London* reported that **government’s understanding of local service delivery and the interactions between service areas across different departments was weak**. We found that the current planning system can lock people into travelling by car and that local planning officials can struggle to realise government’s policy aims. Planning guidance for new homes and public services does not need to consider and integrate bus services immediately in new developments, which can undermine success in delivering on the Department’s objectives.²¹
- Our 2021 report *Local government and net zero* found that there can be a significant **risk of inconsistent goals and messages** when multiple policy areas across departments are aligned to an overall strategic direction. It also identified that local authorities will need to manage the links between net zero and their wider work on other government policy objectives like tackling inequality, improving air quality and adapting to climate change if they are to **avoid efforts pulling in different directions and make the most of opportunities for co-benefits**.²²
- Our 2020 report *Childhood Obesity* identified that while the Department for Health & Social Care (DHSC) sets and oversees policy related to obesity and runs the Childhood Obesity Programme, other departments also lead projects within this programme. These projects, such as the Bikeability project (run by the Department and part of CWIS 1), were subsumed into the Childhood Obesity Programme because they were considered to have some impact on childhood obesity even if this was not a stated objective of the specific programme. The **lack of stated objectives related to the overall programme meant that the review of the project did not monitor progress against wider government objectives**. For example, in 2019, a review of Bikeability showed a positive impact on numbers of children cycling but did not assess the impact on weight. In addition, because reducing obesity was not a stated objective in these projects, there was no oversight of these projects in the obesity plan.²³
- Our 2020 report *Childhood Obesity* also found that the funding structure for projects led by multiple departments in the Childhood Obesity programme led to a lack of control by DHSC. Where other departments provided the funding for projects, DHSC **lacked control over spend, weakening its ability to influence performance in the delivery of these projects**. We also found that **accountability was fragmented** as many projects in the programme have wider objectives and sit outside of the DHSC’s control.²⁴

21 Comptroller and Auditor General, *Improving local bus services in England outside London*, HC 577, Session 2019–2021, National Audit Office, October 2020.

22 Comptroller and Auditor General, *Local government and net zero*, HC 304, Session 2021–22, National Audit Office, July 2021.

23 Comptroller and Auditor General, *Childhood obesity*, HC 726, Session 2019–2021, National Audit Office, September 2020.

24 Comptroller and Auditor General, *Childhood obesity*, HC 726, Session 2019–2021, National Audit Office, September 2020.