



The 2011 IoD Member Transport Survey

IoD POLICY PAPER





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Executive summary

The 2011 IoD Member Transport Survey presents the results of a comprehensive *Policy Voice* poll of 1,245 members of the Institute of Directors, carried out in August 2011. Directors were asked for their views on the existing state of the UK's transport infrastructure and their priorities for new investment.

The survey results show that IoD members have generally negative perceptions of the UK's existing transport infrastructure:

- 82% rate the UK's road network poor or very poor for congestion, while 62% think the roads are in a poor state of repair.
- 61% think that intercity rail fares offer poor value for money, with 57% thinking the same of commuter rail fares.
- 76% think that the planning system has had a negative impact on the speed and ease of completing infrastructure projects over the past decade.
- 58% think that the transport system is poorly integrated, while 66% think it represents poor value for money overall.

Not surprisingly, IoD members overwhelmingly think that new investment in transport infrastructure is important for their business. Directors' priorities for that investment are also clear – improvements to existing road and rail networks are seen as far more important than either new roads or high speed rail. IoD members also think that increases in aviation capacity will give a bigger boost to their productivity than a new high speed rail line:

- 86% think that investment in congested urban roads is important to their business, while improvements to existing motorways are cited by 83% as important, and improvements to existing local roads by 82%. By comparison, 49% think that new motorways, and 37% new local roads, are important.
- The most important areas for new investment in the rail network are existing intercity services (79%) and commuter services (75%). By contrast, 54% think that high speed rail investment is important to their business.
- 48% think that increases in airport capacity outside London and the South East would have a positive impact on the productivity of their business; 40% think the same for increased airport capacity in London and the South East, and just 23% agree that a new high speed rail line between Birmingham and London would improve their productivity.
- 38% think that the public spending required to build HS2 would represent poor value for money, compared with 30% who think it would represent good value.

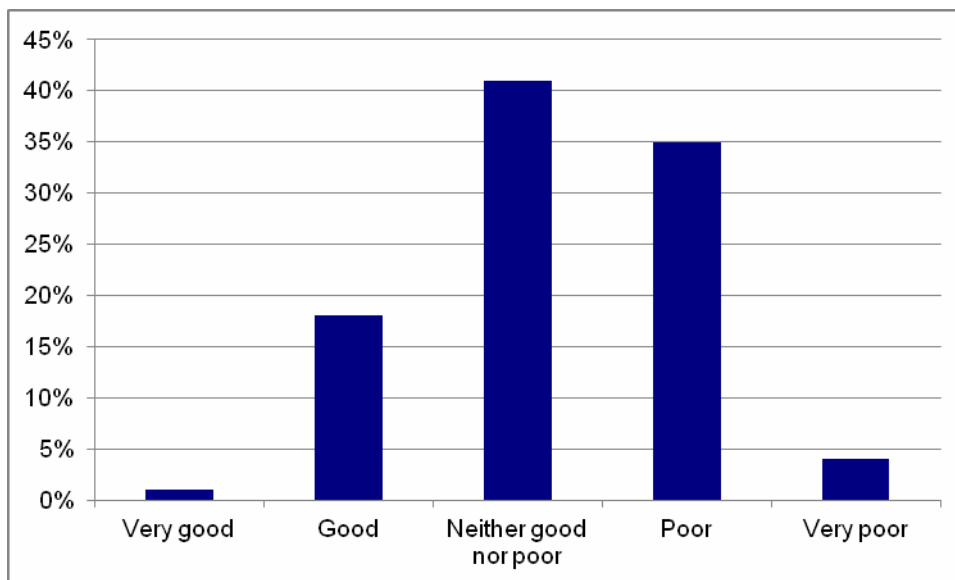
The state of the UK's transport infrastructure

Overall

IoD members generally have negative perceptions of the existing state of the UK's transport infrastructure:

- Two thirds (66%) believe it represents poor value for money, compared with just 7% who think it represents good value for money.
- A large majority (58%) thinks it is poorly integrated, compared with 14% who think it is well integrated. In Scotland and London, a slightly higher proportion of IoD members (20%) think the transport system is well integrated.
- Views are mixed on the reliability and punctuality of the transport system. Almost three in ten (29%) think it scores highly on this measure, compared with 32% who think it scores poorly. Opinions vary by region. In Wales, 26% think the transport system is reliable and punctual, compared with 45% who think it is not, and in the North East, by contrast, the corresponding figures are 39% and 23%.
- Almost two fifths (39%) of IoD members think the UK's transport infrastructure is poor overall, compared with 19% who think that, overall, it performs well.

Chart 1: "Thinking of your primary organisation, how would you evaluate transport infrastructure in the UK today, on the following – overall?"



The three biggest impacts that the UK's transport system has on IoD members' businesses are increased costs (cited by 70%), staff arriving stressed as a result of transport problems (61%) and staff arriving late to work (47%):

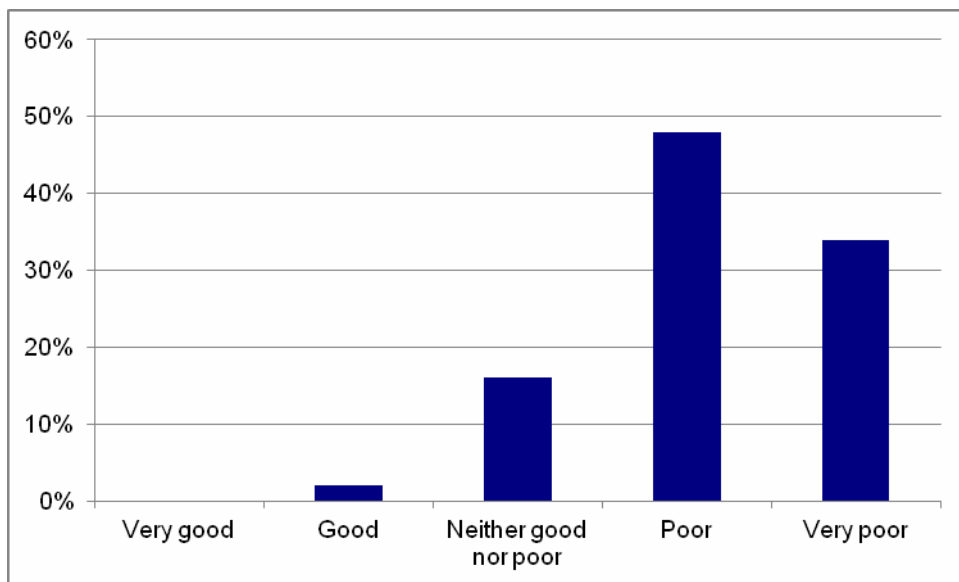
- Increased costs are a particular problem in the West Midlands (85%), Wales (81%), Northern Ireland (79%), the North West (78%) and the North East (77%).
- Staff arriving stressed (75%) and late (63%) have the greatest impact on London members.

Roads

IoD members' views on the UK road network are varied, although overall the picture is again a negative one:

- On the positive side, 56% think that the road network has good coverage, compared with 16% who think it has poor coverage.
- Perceptions are more negative about the reliability and quality of the road network. A quarter (25%) thinks the UK's roads are of good quality, although 40% think they are of poor quality. A fifth (20%) thinks the roads are reliable, compared with 43% who think they are unreliable.
- The UK's roads are rated extremely poorly on congestion and the state of repair. Overall, 82% of IoD members think the roads score poorly on congestion, compared with just 2% who think they score well. Unsurprisingly, there are no IoD members working in the transportation sector who think that the roads score well on congestion.

Chart 2: "Thinking of your primary organisation, how would you rate the UK's road networks on congestion?"



- Close to two thirds (62%) think that the roads are in a poor state of repair, compared with 15% who think they are in a good state of repair. Members working in the transportation sector are particularly scathing, with 76% thinking the roads are in a poor state of repair.

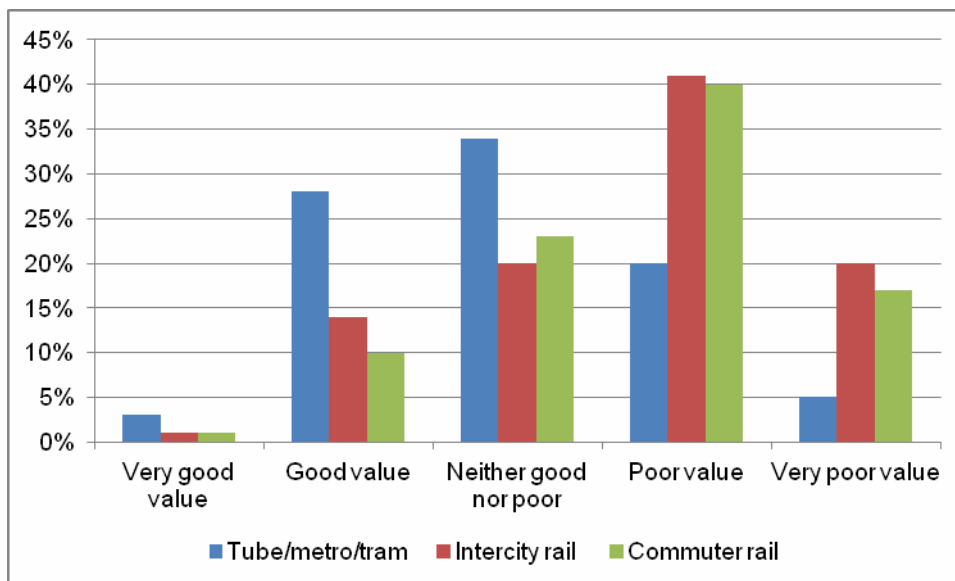
"The goal of an integrated transport system is probably as far off as ever. 58% of IoD members think the transport system is poorly integrated."

Rail

The survey respondents generally believe that rail fares offer poor value for money for business travel:

- More than three fifths (61%) think that intercity rail fares offer poor value for money, compared with 15% who think they are good value.
- Similarly, 57% think that commuter rail fares are poor value, while just 11% think they are good value.

Chart 3: “Based on your use of the rail network for business travel, how would you rate the following rail services on whether their fares offer good value for money?”



- Tube, metro and tram fares are seen as offering better value for money, with 31% of IoD members believing they are good value, compared with 25% who believe they are poor value. In London, 44% think that tube fares are poor value, compared with 30% who think they are good value.

Planning

IoD members are very critical of the UK's planning system, believing that it has held up major infrastructure projects:

- Over three quarters (76%) think that the planning system has had a negative or very negative impact on the speed and ease of moving to completion of infrastructure projects over the past decade. Just 4% think it has had a positive impact.

“82% of IoD members think the roads are too congested, while 62% think they are in a poor state of repair.”

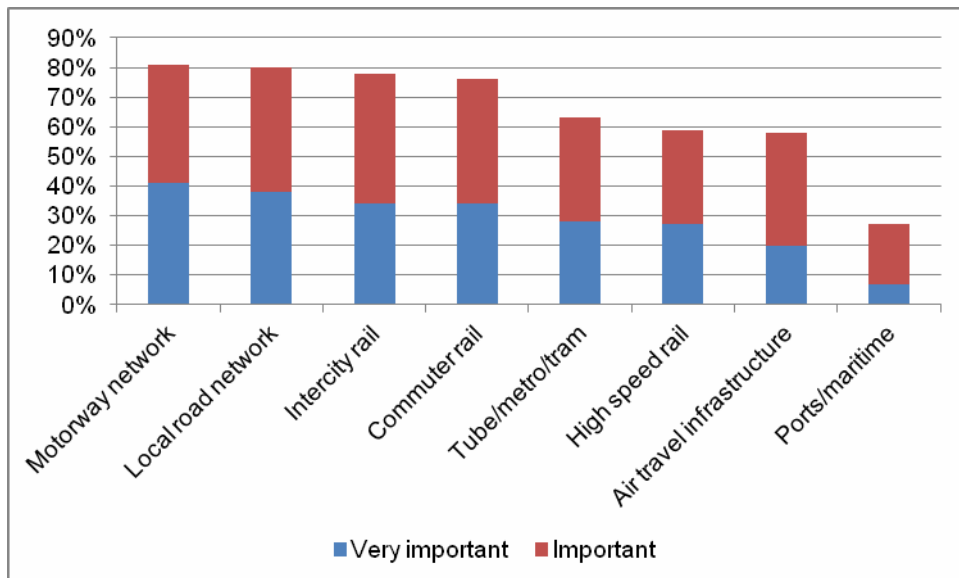
Priorities for new investment

Overall priorities

The respondents to the survey believe that new investment in most forms of transport infrastructure is important to their business. This is perhaps unsurprising, but more revealing are the priorities chosen:

- Over four fifths of IoD members think that new investment in the motorway network is important or very important for their business, while four fifths believe the same for new investment in the local road network.
- The highest rail priority is the intercity network, with just under four fifths thinking new investment is important or very important for their business, closely followed by commuter rail with three quarters. Slightly under two thirds think that new investment in tube, metro and tram networks is important for their business. High speed rail is the lowest priority in the rail category, with less than six in ten IoD members thinking that investment in high speed rail is important.
- Slightly below the rail priorities is new investment in air travel infrastructure, with just under six in ten citing this as important or very important.
- Port infrastructure is the lowest priority, with just over a quarter of IoD members thinking that new investment in this area is important for their business.

Chart 4: "Thinking of your primary organisation, please rate the importance of additional transport infrastructure in the following areas."



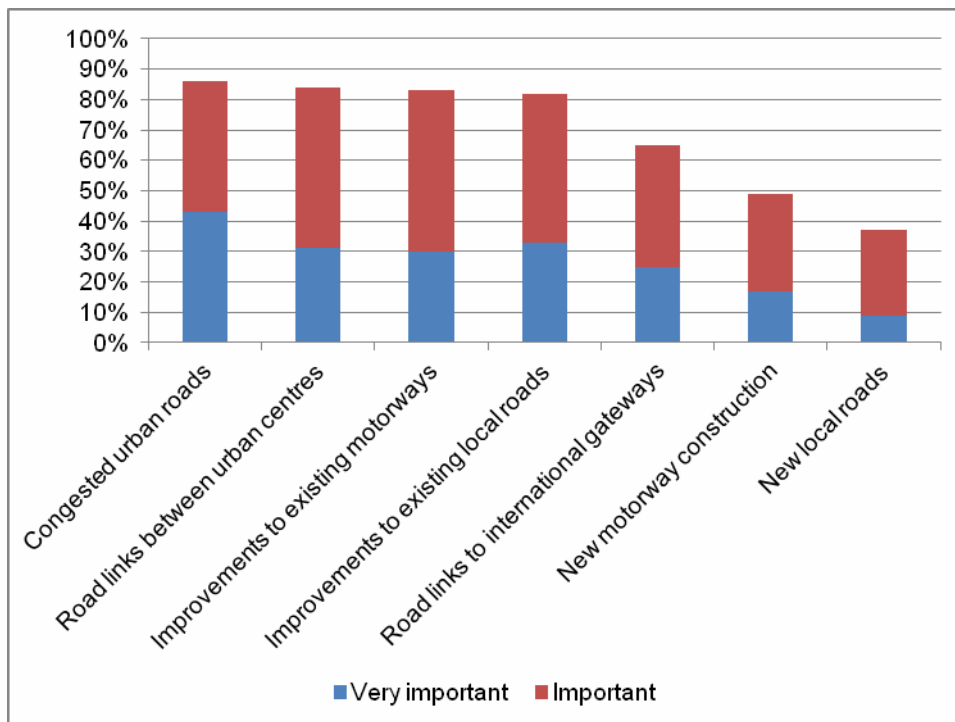
"New investment in the road network is the biggest priority for IoD members, while new investment in commuter and existing intercity rail services is seen as more important than high speed rail."

Roads

Investment in most types of roads is seen as important to IoD members' businesses. Improvements to existing urban and local roads and motorways are seen as far more important than new road construction:

- IoD members overwhelmingly think that investment in congested urban roads (86%), road links between urban centres (84%), improvements to existing motorways (83%) and improvements to existing local roads (82%), are important or very important to their business.
- By comparison, 49% think that new motorways are important to their business, with just 37% thinking the same of new local roads. Around two thirds (65%) think that investment in road links to international gateways is important.

Chart 5: "Thinking of your primary organisation, please rate the importance of the following investments in work on the UK's road network."



There is also strong IoD member support for privately-financed road construction, even if accompanied by tolls:

- Almost three fifths (59%) would support privately-financed road construction to relieve congestion in specific areas, even if it were to require some form of road charging. Around a fifth (19%) would object.

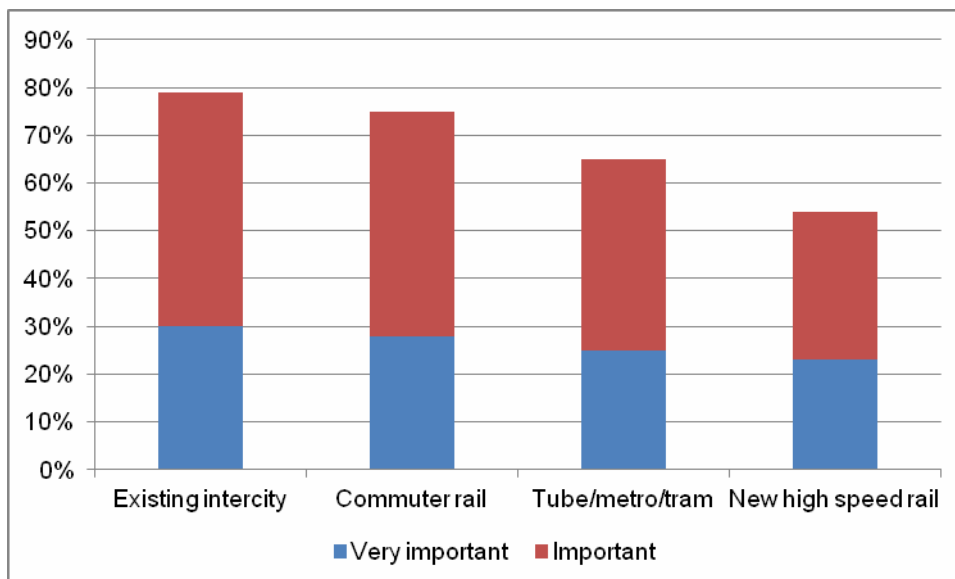
“Congestion has become such a problem in the UK that almost three fifths of IoD members would support privately-financed road construction to relieve congestion, even if tolls were charged.”

Rail

Again unsurprisingly, the majority of IoD members believe that investment in the rail network is important to their business. As before, the real issue is the priorities chosen, with improvements to existing intercity and commuter services seen as far more important than new high speed rail lines:

- The highest rail priority for IoD members is work on the existing network of intercity services, with 79% saying this is important or very important to their business. Commuter rail improvements are also seen as important or very important by 75% of respondents.
- Overall, 65% of IoD members think that work on tube, metro or tram networks are important, although the figure is, not surprisingly, far higher for London members, with 92% saying that tube improvements are important.
- The lowest rail priority is investment in new high speed rail links, cited by 54% of IoD members as important or very important to their business.

Chart 6: "Thinking of your primary organisation, please rate the importance of the following types of work on the UK's rail network."



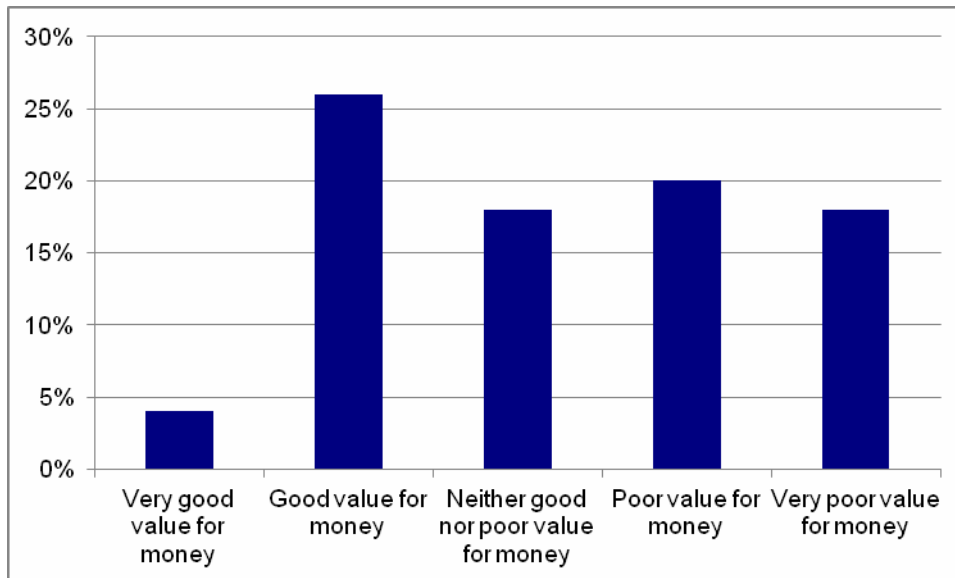
The existing plans for HS2 envisage a line between London and Birmingham, with an extension to Manchester and Leeds subsequently being built, although this second phase would only be completed a number of years after the initial Birmingham-London line. We therefore asked members about their views on the first stage of HS2. The answers show that, overall, IoD members are slightly sceptical about the value of a new high speed rail line:

- Almost a quarter (23%) thinks that a new high speed rail line between London and Birmingham would have a positive impact on the productivity of their business, compared with 5% who think it would have a negative impact. The vast majority (70%) think it wouldn't have any impact on their productivity.
- IoD members in the three regions that would be most affected by the first stage of HS2 are more enthusiastic about the impact of high speed rail, with 43% of West Midlands members thinking it would have a positive impact on their productivity (compared with 9% thinking it would have a negative impact), 32%

of London members (4% negative) and 30% of North West members (1% negative).

- Overall, 30% of IoD members think that the public spending required to build HS2 would represent good value for money, compared with 38% who think it would represent poor value and 18% who believe it would represent neither good nor poor value.

Chart 7: “Do you believe that the public spending required to build HS2 would represent:”



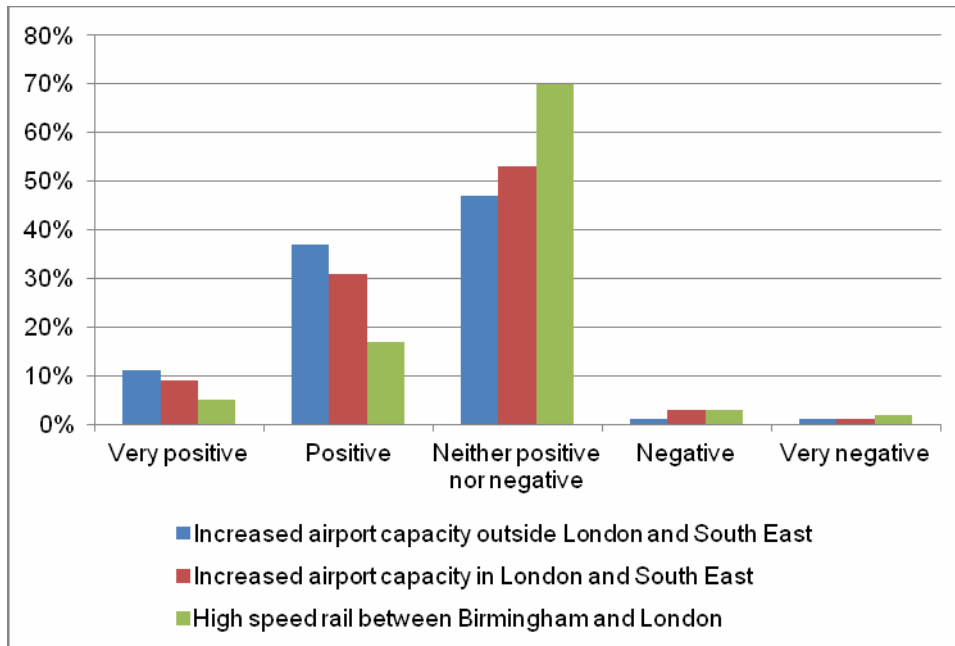
- In the three regions most affected by the first stage of HS2, views are roughly balanced. Two fifths (40%) of West Midlands members think that the public spending required to build HS2 would represent good value for money, compared with 41% who think it would represent poor value. In London, 32% think it would be good value, compared with 35% who think it would be poor value. In the North West, 34% think it would represent good value for money, with 31% thinking it would represent poor value.

Air

IoD members are generally more enthusiastic about increases in aviation capacity than high speed rail:

- Two fifths (40%) of directors think that an increase in airport capacity in London and the South East, either by building new runways or through ‘mixed-mode’ runway use, would have a positive impact on the productivity of their business, compared with 4% thinking it would have a negative impact.
- Outside of the South East, members are, if anything, even more enthusiastic. Almost half (48%) think that an increase in airport capacity outside London and the South East, allowing a greater range of destinations to be served and a higher frequency of flights, would have a positive impact on the productivity of their business, compared with just 2% thinking it would have a negative impact.
- In Northern Ireland, 94% of IoD members feel that an increase in airport capacity in the province would have a positive impact on their productivity.

Chart 8: Perceived impact on the productivity of IoD members' businesses



IoD members tend to feel that the Government's opposition to new runways at Heathrow, Gatwick and Stansted is mistaken:

- Over a quarter (28%) think that the Government's decision to prevent new capacity being created at Heathrow, Gatwick and Stansted airports will have a negative impact on the productivity of their business, compared with 8% who think it will have a positive impact. Not surprisingly, opposition is higher in the regions most affected, with 41% of IoD members in London and 38% of IoD members in the South believing that it will negatively impact on their productivity.
- Although it is now highly unlikely that a third runway will be built at Heathrow, given that all three main political parties oppose it, IoD members tend to favour the idea. Around half (51%) would support a third runway if it could be entirely privately financed, compared with 25% who would oppose it. In London, 56% would support the idea, compared with 29% against.

“48% of IoD members think that increased airport capacity outside the South East would improve their productivity and 40% think the same for increased airport capacity in the South East. By comparison, 23% think that a high speed rail line between London and Birmingham would improve the productivity of their business.”

