Evidence submission

Public transport in towns and cities

Response from Urban Transport Group to the Lords Built Environment Committee

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Rebecca Fuller

Urban Transport Group
Wellington House
40-50 Wellington Street
Leeds – LS1 2DE
0113 251 7445
info@urbantransportgroup.org

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1. Introduction

1.1. The Urban Transport Group represents the seven strategic transport bodies which between them serve more than twenty million people in Greater Manchester (Transport for Greater Manchester), Liverpool City Region (Merseytravel), London (Transport for London), South Yorkshire (South Yorkshire Mayoral Combined Authority), West Yorkshire (West Yorkshire Combined Authority), Tyne and Wear (Nexus) and the West Midlands (Transport for West Midlands). The Urban Transport Group is also a wider professional network with associate members in Strathclyde, West of England, Nottingham, Tees Valley, Cambridgeshire and Peterborough, Wales and Northern Ireland.

2. Response

What are the current and anticipated levels of public transport demand and capacity in towns and cities in England? What influences public transport travel patterns? How does the choice of public transport vary across different demographic groups?

2.1. COVID has had unprecedented impacts on the way we travel. The decision to lockdown and, as part of that, advise people not to travel by public transport, led to a sudden and dramatic drop in patronage, the effects of which are still being felt two years on, despite most restrictions having been lifted.

2.2. Bus patronage is currently close to 80% of pre-COVID levels whilst rail is around 65-70% of pre-COVID levels. Light rail patronage is more variable and shaped by local factors – as low as 56% and as high as 94%. Meanwhile car travel has recovered more strongly, at around 90% compared to pre-COVID rates, raising concerns of a car-based recovery and a detrimental impact on climate and levelling up goals.

2.3. The slower recovery of public transport demand could be attributed to a number of factors, including messaging around avoiding public transport during the peak of the pandemic, which could have led to permanent changes to behaviour. It is well known that major life events – from moving house to getting a new job – are pivotal opportunities for permanently changing travel habits – COVID is one of those moments. That said, whilst car travel has recovered strongly, other, more beneficial habits have also been formed. Cycling, which many people took up in response to pandemic restrictions, is the only transport mode to have usage consistently above pre-pandemic levels.

2.4. Greater levels of working from home and hybrid working have also affected patronage on public transport, particularly on rail which is more likely to serve office-based workers and support business travel. The shift in working patterns is likely to be a lasting impact of COVID, however, it is worth remembering that the majority of workers, particularly low-paid workers, are not able to work from home and rely on public transport to be able to access employment. TUC analysis shows that 74% of low-paid workers can only work outside the home. These workers are more likely to rely on the bus as we know that bus use rises as income falls. Whilst many on the lowest incomes will rely on the bus to get to work, the ongoing cost of living crisis may also affect demand for more 'discretionary' trips that would have involved bus travel (e.g. a trip to the cinema).

2.5. Overall, around half of all bus users are dependent on bus for their travel with no viable alternative for their journey. People at the younger and older ends of the age spectrum have typically been amongst the heaviest users of bus services, however, there is evidence that recovery in concessionary travel by older and disabled people is slower than recovery in demand overall. This is likely to be a facet of changed patterns of activity but also reluctance to use public transport given messaging at the height of the pandemic.

2.6. Women also use the bus more often than men, irrespective of age. Bus use is also higher in those regions targeted as most in need of 'levelling up' – the North East, Yorkshire and the Humber and the North West.

2.7. However, whilst bus is the most used public transport mode, bus patronage has been steadily declining over a period of decades, in contrast to national rail, which had seen 25 years of growth and, pre-COVID, was carrying more passengers than ever. If we are to achieve the ambitious goals set out in 'Bus back better' sustained investment will be needed – not only to recover to pre-pandemic patronage levels, but to exceed them and attract more people to the bus because they want to, rather than have to use it.

2.8. Declining bus patronage is not inevitable – with higher levels of revenue support and measures like simple fares, high quality fleets, good customer service, restrictions on car parking and bus priority – it can grow.

2.9. More generally, public transport demand needs time to recover from the pandemic and the substantial Government revenue support provided over the past two years has been vital in keeping networks going. The final six-month extension to COVID funding support for local transport (announced in March 2022) offers the breathing space needed to put in place longer term, enhanced, simplified and devolved funding for bus capable of delivering the aspirations of the national bus strategy.

How might public transport travel patterns shift in the next 10 years? What impact could digitalisation and the COVID-19 pandemic have on travel patterns in the long term?

2.10. As described in the previous section, greater levels of working from home and hybrid working appear to be here to stay but are irrelevant to the majority of workers that still need to travel to reach employment.

2.11. However, for those whose working patterns have changed, public transport will need to adapt to meet their needs, offering, for example, good value tickets for more sporadic or irregular working patterns.

2.12. Greater digital connectivity and the growth of 'on-demand' transport, such as Uber, have led to greater expectations for public transport, that its networks should adapt to customers and their convenience, rather than customers adapting their behaviour to rigid timetables and routes. In the next 10 years it is likely that people will expect more flexibility in their transport options and more seamless integration. Solutions like mobility hubs – that draw multiple modes (bus, car share, bike hire etc) together in one place with integrated payment and ticketing – fit these requirements, enabling people to select the best mode for their trip.

2.13. Moreover, if we are to reach net zero by 2050, substantial modal shift will be required, even in the next ten years. The Government has set a target for half of all journeys in towns and

cities to be cycled or walked by as soon as 2030 and states that those journeys that cannot be walked or cycled should be taken by public transport wherever possible. To achieve this, long term investment – both revenue and capital – will be needed to build a world-class public transport system that exceeds the appeal of the private car in terms of its convenience, comfort and affordability and supports both environmental goals and levelling up. More cars – even if they are zero emission - are not the answer. A green traffic jam is still a traffic jam. Only investment in walking, cycling and public transport can deliver on both agendas.

What can be done to improve connectivity across public transport modes? How could better integration be delivered in urban areas outside London?

2.14. Simple, integrated, smart and affordable ticketing is an essential tool for improving connectivity across modes and something that UTG members have invested heavily in.

2.15. Government investment and support for contactless ticketing on rail and for multi-operator ticketing on bus is welcome but it is critically important that national initiatives on bus and rail ticketing are aligned with the initiatives that are already well established in the city regions including in relation to the importance and benefits of multi-modal zonal fares in large urban areas. Otherwise, there is a risk that a) these national initiatives will frustrate and delay the implementation of the ticketing products that users in the city regions want in favour of schemes that are modally fragmented, unattractively priced or effectively determined by vested interests b) that funding will be wasted on projects that soon prove to be not fit for purpose (something that has occurred many times in the past in this area).

2.16. To support better integration of ticketing across modes, we recommend that the DfT set aside dedicated, senior capacity and capability (including research and development) to support the delivery of smart, integrated and, importantly, multi-modal ticketing. Such products enable users to make seamless, convenient transitions between modes depending on their needs and circumstances on that day – perhaps, for example, taking a bus to work on a rainy morning and having the option to return on a hire bike in the evening if the weather improves.

2.17. There is a need for structured and strategic engagement between DfT and the city regions on the delivery of smart and integrated ticketing – acknowledging and building on the technology and products that locally accountable transport authorities have already put in place.

2.18. Mobility as a Service (MaaS) apps can also help join the dots and assist in decision making. MaaS provides access to both information on, and payment for, different options for making journeys and also offers opportunities to personalise these to take account of user needs and preferences (e.g. factors such as pollen count, air quality, less busy services).

2.19. Integrated ticketing and information can be complemented by measures such as mobility hubs, which bring together multiple transport options in one place. Users could, for example, visit a hub and pick up an e-bike, catch a bus or access a car club vehicle.

2.20. Above all, integration can be supported by greater devolution of control of transport networks to locally accountable transport authorities. The recent Levelling Up White Paper includes as one of its missions that, by 2030 'local public transport connectivity across the country will be

significantly closer to the standards of London, with improved services, simpler fares and integrated ticketing'. London standards have been achieved because powers over transport have been devolved, enabling the shaping of a joined-up network, under a single brand and united by smart, simple, multimodal ticketing in the form of Oyster. It is encouraging therefore, that in the White Paper, the Government commits to exploring the devolution of more transport powers and responsibilities in England.

2.21. This is the right approach as Mayors, leaders and local transport authorities are far better placed to make the right calls locally than officials in Whitehall. However, the test will be in whether words are translated into action. Outside of London, the city regions currently have less control over their public transport networks than just about any other comparable city regions in Western Europe. If city regions cannot properly plan and oversee their networks, how can they improve connectivity and integration? They must, for example, have more powers over local rail networks and over bus funding and see less micro-management from Whitehall of capital investment programmes.

What are the likely areas of innovation in urban public transport over the next 10 years? How should public policy be shaped considering both incremental and transformational innovations? How could data help transport services meet consumer demand?

2.22. The future of mobility is often framed as connected, autonomous, shared and electric. However, innovation is, by its nature, hard to predict. In recent years, transformative technological change has opened the way to new travel formats and business models. This can in turn lead to explosive growth in new services (as well as, sometimes, subsequent implosions). Recent examples include the growth in PHV use (partly stimulated by new app-based services), the growth in dockless bike providers, as well as e-scooters and other personal mobility devices.

2.23. In addition, there is the longer-run emergence of innovations such connected and autonomous vehicles and artificial intelligence.

2.24. Local transport authorities have a challenging task in determining how to respond to these developments, not least of which the need to balance consumer benefits with safeguarding the wider public interest.

2.25. These challenges are exacerbated by a legal and regulatory framework which does not provide transport authorities with a clear set of tools for responding in an effective and agile manner. The Government has recognised this and is exploring solutions via its Future of Transport Regulatory Review programme.

2.26. We believe that five foundations are required to enable city regions to harness transport innovation and that these should underpin legal and regulatory reform in this area:

- Agile and devolved governance to support and protect wider goals for people and place.

- Long-term funding certainty giving space to plan strategically and creatively.

- Key standards set nationally, with the scope to go above and beyond locally.

- Open data, shared safely to inform decision making.

- Freedom to test new approaches on the ground.

Are local authorities well equipped with appropriate funding and powers to deliver high-quality public transport services? Would further devolution of transport policy contribute to better outcomes?

2.27. For too long funding for investment in urban transport has been short term and reliant on a shifting mix of ad-hoc competition funding. This is an inefficient way of funding local transport, with millions wasted in putting failed bids together, as well as creating peaks and troughs in spending which make projects more expensive. It also stifles coherent long-term approaches to tackling long-term problems, soaks up organisational capacity, and is in stark contrast to the long-term funding deals that have been in place for some time for national roads and rail.

2.28. Although there has been Government investment in urban transport (including in the renewal and expansion of light rail systems), the current level is insufficient given the scale of its aspirations for comprehensive modal shift to public transport and active travel, and the current starting point (including historic underinvestment in urban mass transit, low levels of cycling and a declining bus network).

2.29. As we transition from short-term COVID recovery funding arrangements, there is an opportunity to build a bridge between where we are now and a more secure and long-term approach to funding local transport that will be needed if we are to be able to provide not only a base level of public transport provision but also go above and beyond achieve transformative change. We have shovel ready schemes which can help sustain employment and kick start local economies. And with long-term, rather than stop/start funding, we can develop and deliver a pipeline of schemes which are calibrated to maximise the employment and economic benefits for the places we serve.

2.30. As well as being properly funded, city region transport authorities need to be fully empowered to do their job. Devolution works in delivering better outcomes as it means decisions are made by those who are closest to the communities served and are directly accountable to those communities.

2.31. For example, devolution of powers over the local rail networks in Merseyside and in London has led to higher levels of passenger satisfaction, more investment and better services. There is the potential to widen and deepen the benefits that rail devolution brings to more passengers and more places. With greater control over local rail services comes the opportunity to improve integration with bus and tram, and with local housing and economic plans.

2.32. Meanwhile, on bus, more could be done to further streamline existing bus legislation to allow transport authorities to continue their existing arrangements with operators, to transition to direct provision, or to franchise networks of bus services to private operators (using broadly the same model as currently applies in London). There is also the opportunity to devolve bus funding to locally accountable strategic transport authorities who can ensure that it is used to support and protect the priorities of the people and places they serve and meet government objectives to grow the market through more and better services.

Could better policy coordination across government departments, and between central and local government, improve public transport outcomes? If so, how can this be achieved?

2.33. As described above, strategic transport authorities need devolved powers and funding to ensure that decisions made are in line with goals and priorities locally. So far, many warm words have been spoken about the benefits of devolution (including in the Levelling Up paper), but this needs to translate into action and a substantial shift away from remote control and micromanagement from Whitehall.

2.34. Better coordination across, and even within, government departments would also be beneficial. A good example is the many – often conflicting demands – on street space, with pressure from various parts of government to deliver everything from bus priority to cycle lanes, from climate resilience to deterring terrorist attacks and from accommodating e-scooters to walkable neighbourhoods. Achieving or reconciling these requirements – which often pull in different directions – can be very challenging. DfT, for example, is pursuing bus and active travel strategies (with associated infrastructure and street space requirements) largely in isolation from each other. Conflicting demands are made more difficult to manage not only by the limited available road space, but also the severe constraints on local government resources.

2.35. Another example is the often siloed approach to decarbonisation, which deals with emissions from different sectors and sub-sectors in isolation, rather than make connections between them. For example, work to electrify private vehicles is separate from that to green the bus fleet and from the wider energy infrastructure network. The task is made harder by the fact that Whitehall departments continue to keep control of key funding levers, rail and bus are largely privatised and key utilities (water and energy) are outside of local government control. Further devolution of powers could be a key enabler for city regions to take action with more control over the levers needed to 'join the dots' locally.

What are the barriers to improving urban public transport, in terms of delivering the necessary infrastructure, increasing connectivity and improving the consumer experience?

2.36. As described in answers to previous questions, further devolution of powers and funding would support delivery across all of these areas. Decisions affecting local areas and communities should be made by those who know them best and who are directly accountable to them.