HOUSE OF COMMONS

Transport Committee

Oral evidence: Reforming public transport after the pandemic, HC 676

Wednesday 2 December 2020

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Watch the meeting

Members present: Huw Merriman (Chair); Ruth Cadbury; Lilian Greenwood; Simon Jupp; Chris Loder; Karl McCartney; Gavin Newlands; Greg Smith; Sam Tarry.

Questions 1 - 70

Witnesses

I: Linda McCord, Senior Stakeholder Manager, Transport Focus; Mark Westwood, Chief Technology Officer, Connected Places Catapult; and Stephen Joseph, Visiting Professor, University of Hertfordshire Smarter Mobility Unit.

II: Laura Shoaf, Vice Chair, Urban Transport Group and Managing Director, Transport for West Midlands; Councillor David Renard, Leader, Swindon Council, and Chair, Environment, Economy, Housing and Transport Board, Local Government Association; and Chris Hinchliff, Policy and Campaigns Officer, CPRE, the countryside charity.

Written evidence from witnesses:

- Connected Places Catapult (REF0078)
- Urban Transport Group (REF0079)
- Transport for West Midlands (REF0042)
- Local Government Association (REF0023)
- CPRE, the countryside charity (REF0017)

Examination of witnesses

Witnesses: Linda McCord, Mark Westwood and Stephen Joseph.

Q1 **Chair:** This is the Transport Select Committee's first evidence session for our seven-part inquiry on reforming public transport after the pandemic. This will be a very lengthy and detailed inquiry, where the Committee will look in depth at issues surrounding public transport: why usage has plummeted; what can be done to regain confidence so that public transport is used again; what lessons can be learned from around the globe; and how public transport will continue to be financed in the event that there is less patronage.

At our first evidence session, we will hear from stakeholders who represent the transport consumer industry or local government, or who have researched the matter. We are looking forward to a very holistic view on what is going on in the public transport sector and what should be done. I ask our witnesses to introduce themselves.

Linda McCord: Good morning. I am Linda McCord from Transport Focus. I am a senior stakeholder manager. I have a strong remit in the west midlands, as I chair the bus alliance there and work very closely with the rail operators, too.

Mark Westwood: Good morning, everybody. My name is Mark Westwood. I am the chief technology officer for the Connected Places Catapult, one of nine catapult centres in the UK. We are the UK's innovation accelerator for cities, transport and places.

Stephen Joseph: Good morning, everybody. My name is Stephen Joseph. I am a visiting professor at the University of Hertfordshire's smart mobility unit. With the unit, I wrote a report for the Transport Planning Society called "State of the Nations". I previously ran the Campaign for Better Transport for 30 years. I am a consultant to various projects, including transport for new homes and the rail devolution network.

Q2 **Chair:** Good morning, Linda, Mark and Stephen. Thank you very much for being with us and for giving evidence. We are very keen to get your thoughts and views for our first session.

My first question is quite broad, so focus on the points that you wish to make. Looking ahead for the next five to 10 years, what opportunities, if any, do you see to reform public transport for the better as a result of this pandemic?

Linda McCord: There are a few things. At Transport Focus, we carry out passenger insight. Since all of this started, we have been interviewing 2,000 people a week. It is really important to build back confidence. It is really interesting that our surveys are showing clearly that those who are travelling are largely satisfied. They are satisfied with how the industry is reacting to things like cleanliness and safety. However, those who are not

travelling say that they perceive that it is not safe and not clean. In the short term, there is a need to build back confidence for those who used to use public transport but have decided that it is not for them yet.

Secondly, we have revisited a piece of work that we do very regularly on people's priorities for improvement. Of course, the basics of punctuality, reliability and value for money came through. However, what came through very strongly, particularly on rail, was, not surprisingly, the whole area of cleanliness. Importantly, what we have seen through that is that there will be little tolerance for poor standards of cleanliness and other things in the future.

Finally, there is a great opportunity in the public transport industry for a multi-modal, integrated network review. We must make sure that it is done in a holistic way, so that it meets the needs of transport users. It is best done locally, and we are doing it in the west midlands. All of the modes—bus, rail and tram—are working in partnership, irrespective of which operator is running the service, to see what the network should look like. It is even more important that we look at this in respect of all modes working in a multi-modal, integrated way. After all, it is all about moving people. We have to make sure that, in the future, transport needs are being met in a holistic way.

Q3 **Chair:** Mark, how will the pandemic allow us to reform public transport for the better?

Mark Westwood: Clearly, at the forefront of our minds is the huge change in the demands on the system and capacity that the pandemic has provided. At this point, it is very difficult for us to predict what the long-term impacts are going to be. That means that we need agility in how we provide public transport for the future.

If we look at how the system is performing at the moment, we see that functionally the transport system has performed very well. The Government have stepped in to ensure stability in the immediate term. That gives us the opportunity to attach some conditions to that support that would, for example, help us to understand much better the true demands on the public transport system and to redesign services for the better in the future. There are significant innovation opportunities. We need to find ways of interfacing innovators into the challenges of reforming the public transport system.

Q4 **Chair:** Stephen, I am very conscious that you authored the latest state of the nations report. With that in mind, how do you feel that this pandemic can give us opportunities to rebuild better for public transport?

Stephen Joseph: The issue at the moment is that we are facing a car-led recovery. That is not good for public transport, but it is also not good for wider reasons. It is not good for congestion; we are seeing congestion come back, particularly on local roads. It is not good for the need to

decarbonise. Public transport needs to play a big part in decarbonisation. We cannot have a car-led recovery, because it will threaten that.

Secondly, following from that, we need a new strategy to support public transport that reflects those wider benefits, funds those wider benefits and makes it attractive to use public transport again. Linked to that, we need to revisit the way in which business cases are done. "State of the Nations" talked about that. The Government started on it last week, with the reform of the Green Book, but the wider framework within which public transport operates needs to be looked at—for example, in the Government's planning reforms.

The planning White Paper hardly mentioned transport at all, yet it will be critical for how people get about in new housing developments and where those developments take place. The clean air zones are another example. That kind of framework for public transport needs to be looked at again in the light of the pandemic and the challenges that transport and public transport face.

Chair: I thank all three witnesses for the opening.

Q5 **Sam Tarry:** Good morning to you all. This is a quick-fire question. Obviously, Covid has changed so much in terms of transport and passenger numbers, and has led to our having a major rethink about the strategy going forward—particularly in the rail industry, where passenger numbers are down so much. We are still expecting the Williams review, but there may need to be some more rethinking, given that that was written in a pre-Covid context.

I want to focus on rail franchising. There is growing consensus that, apart from the train operating companies, for most people—including passengers—it was not really working. In the opinion of some, it was not working for taxpayers. A recent Transport Planning Society report said that over the last 10 years rail fares have increased by much more than inflation; in fact, if you work it out across 10 years, the increase is as high as 40%. With passenger levels dropping, the whole question of how we subsidise our railways and use the farebox will need a total rethink. Things like part-time season tickets and so forth will definitely need to come into being if people are only working part time.

If we look ahead to the next five to 10 years, do you think that it is time to have a serious rethink and not only abolish the franchising system but think about removing the profit motive completely from the network? Should we say instead that it is best run at lower passenger levels as a publicly run service and have an honest conversation about that? Stephen, can I turn to you first on that question?

Stephen Joseph: I was the main author of that TPS report. In it, we highlighted that the trend for rail fares to rise above inflation over the last 10 or more years, while fuel duty has been frozen, takes you in the wrong direction in the signals that it sends. Bus fares, too, have gone up by above inflation.

I mentioned at the start that I advise a loose network called the rail devolution network, which consists of local and devolved authorities with an interest in having more local control over their rail networks. Linda has the west midlands link, and you will hear from Laura Shoaf later. There is strong evidence. One problem that has been seen during the pandemic is that local and regional authorities have not had much say over what has happened to their local rail networks. West Midlands Rail Executive and the Transport for the North rail committee have tried to link up bus and rail and have tried to get cross-modal strategies in place, but have found it very difficult because of the way the system is currently run.

I would argue that any future rail strategy needs a large measure of devolution of local and regional rail services. Obviously, that requires powers and funding to go along with it, but the evidence is that, in general, where services have been devolved, they have delivered much better for local people than when run from London, through the Department for Transport. London Overground, Merseyrail and ScotRail are good examples. Transport for Wales is now showing its potential. Devolution is part of that.

The way in which the private sector gets involved in the railways is up for grabs. The really big thing that the pandemic has highlighted is flexible ticketing on the railways. We must have flexible ticketing—simple, smart, multi-modal and multi-operated ticketing—particularly in the city regions, because one of the clearer results of the pandemic is more flexible working. I do not buy the offices and cities are dead argument some commentators have come up with, but it is quite clear that more people will be working more flexibly. That requires much smarter and more flexible ticketing. This time, when the Government are sort of running the railways, is an opportunity to get that in.

Q6 **Sam Tarry:** Network Rail had been looking at a system that I would not call devolved but that would give each of its regions a degree of autonomy. How do you think that would work if it goes ahead, in terms of the devolution aspect? I will throw this question to the other two panellists as well. Do you think it could mean that there were better link-ups and that it could provide local networks involving other parts of public transport—buses, for example—with a partner in Network Rail that was more willing to listen, rather than taking a more national perspective?

Stephen Joseph: We have to distinguish between devolution within the railway, which is what you are talking about, and is very welcome, and devolution of the provision of rail services and contracting for them. We need both of those. Devolution within Network Rail could mean that we get much more responsive. There are some signs that that is already happening, but we also need some control locally. It is still the case that the authorities on the ground find that their relations with Network Rail and the charging from Network Rail are not acceptable. For example, one

motivation for the Welsh Government taking control of the core valley lines was to manage the upgrading of those locally.

There clearly has to be some network-wide management. Those who want devolution do not dissent from that. While they want control or management of their local services, they also want high-quality links from their areas to the rest of the country. It is a priority for Cardiff to have better links to Bristol or Birmingham, or for Newcastle to have better links to Scotland and other cities around the country. You need a guiding mind and a system operator to make sure that that happens. You also need proper devolution and a responsive network infrastructure authority, Network Rail, that will work closely with people and have much more transparent costing than has been the case in the past.

Q7 **Sam Tarry:** Linda McCord, can I turn to you not only on devolution but on being more radical in our thinking about the system that we use to run the railways, when, clearly, they are going to be far less profitable for a long period of time?

Linda McCord: I will pick up on some of what Stephen has already covered. With Network Rail, we are already seeing some of that local working, through the five regions that it has in place. As I mentioned in my opening points, there has never been a greater opportunity for us as an industry to work together totally for the benefit of the end user, irrespective of whether that is rail, bus, tram or active transport, and our roads. As I said earlier, we are all about moving people.

We need to ensure that we give people the choices that they can make about the way they want to travel. In the past, we have sometimes been more of a hindrance in giving those choices on integrated transport, instead of being a real help. This is a great opportunity to see a holistic transport offering.

For example, in the west midlands we have a workshop next week with all of the rail operators, Network Rail, a member of the Department for Transport, myself and the chair, who is independent. We are starting to look at the rail network as a whole, making sure that there are efficiencies and that we are not leaving any of society without services. That comes back to my point about its not being only about rail. We are looking at this in a very holistic way. There is a great opportunity that we have never had before to be really joined up in all of this.

Q8 **Sam Tarry:** Mark Westwood, is there anything that you would like to add on either of those two areas, around the shake-up of the system or the devolution aspects?

Mark Westwood: I will keep this brief. The key point is not to see the rail system as a system in isolation. If we are to increase the number of passengers—I think we all agree would be a good thing, because the rail system is a particularly energy-efficient way of transporting people around—it is really important that rail is well integrated with the services

that get people to the station and away from the station. Whatever the future commercial arrangements are, they should put in place the means to share data around passenger and train movements, for example, such that innovators are in a good position to provide a really good customer experience around the whole journey. That will act to support increased passenger numbers.

Chair: Members and witnesses, we have 10 sections to get through by 20 to, and we have only gone through one. If questions can be short and sharp and the answers can be succinct, we will clear all the evidence, which would be super.

I want to move on to the increase in home working and whether that is a longer-term trend. We had a fascinating private discussion with some leading employers about their views on the future direction.

Q9 **Ruth Cadbury:** If we assume, as Transport Focus suggests in its study, that home working is going to be a major part of people's working lives, for those who are desk-bound, does the panel think that people's working patterns are a matter for them and their employer, or should the Government actively encourage people back to the office five days a week?

There are different geographic nuances as to who can work from home. Obviously, it is a significant factor in London, but much less so in many areas that are based more on industries where people cannot work from home. Perhaps we could start with Linda, as Transport Focus did the study.

Linda McCord: As you say, our study shows that people want to work more flexibly in the future. Of course, none of us quite knows if that is going to marry up with what employers want. Even with that in mind, there is a group of people—lots of people—who have no choice but to work five days a week.

We really need to ensure that we offer people flexibility. I do not know about any of you, but I certainly do not want to return to standing on a train for 45 minutes. I think that has changed in people's thinking. Therefore, as an industry, irrespective of whether people go back for five days, three days or two days, we have to make sure that we offer the product that people now definitely want: comfortable, reliable, punctual trains.

In respect of whether the Government should encourage people to do that, I think that people will make up their own minds, at the end of the day. We have shifted hugely.

Mark Westwood: I agree with a lot of what Linda has just said. We have seen attitudes change quite a lot through the lockdown period. My best guess is that people will return to the office, but not nine-to-five, five days a week, for those who have the choice. I think that people will look for increased flexibility.

In terms of the loading on the transport system, the loading that we might have seen on a Friday in pre-Covid times may become the new normal.

Q10 **Ruth Cadbury:** Stephen, do you have anything to add?

Stephen Joseph: We have mentioned flexible ticketing already. The only other comment I would make is that I do not think that Government should force people back to offices, but I think that they can work with the grain. There has been a lot of looking at local hubs.

You could have hubs in suburbs, towns and villages, which would mean that people who might be working from a bedroom in a one-bedroom house or flat at the moment had a place to go where they could work remotely with proper facilities. If you invested in those, you could make them into mobility hubs as well. You could bring different forms of transport together. Some of the sub-national bodies, such as Midlands Connect and England's Economic Heartland, have been looking at those kinds of accessibility hubs. You could have good local transport links to those hubs, so that people could get to them without driving all the time.

The link to housing policy is also important. We might need to rethink the kinds of housing that we are building, and the emphasis on small rooms and lots of car parking, which seems to be the standard model at the moment, if we are to move into that flexible world. I hope those are useful comments.

Ruth Cadbury: That reminds me that PCS has been looking at the idea of having a civil servants hub, or public sector hub, in towns and suburbs, so that civil servants working from home can go to a safe, secure hub, whichever Department they work for. That was one suggestion.

Q11 **Greg Smith:** Given everything that we have just said—all the evidence that we have seen about home working and the likelihood that people will not return to office environments five days a week going forward—and given that the capacity on the existing UK rail network is not going to be overloaded and that there are opportunities to build hyperlocal links into the sorts of hubs Stephen has spoken about, can you give a simple yes/no answer? HS2: should we scrap it?

Stephen Joseph: Frankly, the ship has sailed. There are diggers on the ground. Contracts have been let, at least for the first phase. I do not think that stopping it is a practical proposition now.

I take a slightly unfashionable view, because I think that the point of HS2 is not speed, but capacity—the capacity that it releases. Looking at how you maximise that capacity for reducing carbon and giving people real choices is the real issue. In the wake of the pandemic, there is an opportunity to look at the services that will be provided on existing lines, once HS2 exists—not just for passengers, but also for freight. I know that this is about public transport, but it is worth noting that, unlike passenger travel, rail freight is back to pre-pandemic levels, more or less.

There are real opportunities to expand rail freight in the future—for example, by having high-value parcels on passenger trains and having trains go into city centre hubs at night. Those kinds of opportunities will bring huge carbon and decongestion benefits. I thought that I had better put that in. HS2 provides the opportunity for more freight services, as well as much better local and regional passenger services, from released capacity. That is where the pandemic means that we need to have another look at the assumptions that people were making.

That also applies to aviation, by the way. Other countries are doing this. For example, France has made it a condition of its bail-out of its airlines—Air France—that they should not compete with high-speed rail, for carbon reasons. There is an opportunity to think about that as well in the future.

Linda McCord: Stephen has probably covered the points that I had jotted down. This is the opportunity to look again. There were opportunities we were all looking at in respect of capacity. Maybe that has shifted, so maybe there should be a review to look at it, but it has already started. It will bring economic benefits to the areas it goes to. I have nothing more to add.

Mark Westwood: The only thing I would add is that significant public investment is being put into HS2, and we should ensure that it is delivered in as innovative a way as possible. We should make sure that it provides access to innovations coming out of the SME community, for example, such that we not only get ourselves a low-carbon transport option for the future, but do not miss the opportunity to support the growth of UK business through that programme.

Greg Smith: I appreciate those answers. I add as an observation that, if home working exists and rail capacity is down, I cannot see who is actually going to use HS2 once it is built. But that is my own hobby-horse. Everyone knows that I am against it, so I will hand back to the Chair.

Chair: I thought you would not resist that, Greg. We will be looking at HS2 on a six-monthly basis to ensure that it delivers value for money and for the communities that will be impacted.

Let's move on to Government funding and subsidy of public transport. In a way, we have touched on this already with some of Sam's questioning, and I am going to hand back to Sam.

Q12 **Sam Tarry:** Mark, suppose the Government choose to continue subsidising train operating companies longer term—we have the ERMAs in place at the moment—do you think they should think about putting different conditions on private train operators, for example around environmental conditions, maintaining both numbers and quality of jobs or, indeed, focusing their work on linking up better with local bus networks? That is something that is often talked about but does not often happen.

My personal goal would be that we aimed for a Swiss-style Taktfahrplan, where trains arrive and, a few minutes later, you can step on to a bus. Do you think those sorts of conditions could be put into some of the contracts, as we think longer term about the train operating companies and how they are subsidised, with so many fewer passengers?

Mark Westwood: In short, yes; it is a good opportunity to tackle problems around, for example, data sharing, as I mentioned earlier. The way the system has been structured is quite complex and quite fragmented. The ability for people to understand, for example, the loading on a train carriage at a particular time is a technically possible thing to solve but is very difficult commercially because of the range of different commercial arrangements that are in place. Attaching conditions to funding gives us the opportunity to break some of those barriers and provide a much more holistic, well-integrated transport system.

Q13 **Sam Tarry:** Linda, you mentioned that you have already tried to set up a grouping of all the different train operators with Network Rail. How would the conversation go if we were to say, "These are the types of conditions that now need to be met to continue to get public money"?

Linda McCord: First of all, 100% yes. The conditions should be for the benefit of the end user. We are seeing some of that in the ERMAs with the collaborative working and the whole idea around "one team" at major stations; definitely it could be just stepping on to a bus as you come off the train. We have talked about that for so long, but it has not happened. I think Stephen or Mark mentioned that earlier. This is a huge opportunity for that to happen. Yes, maybe there should be those strong conditions.

There was at the very beginning, with the EMAs, when Transport Focus was asked to ensure that the information going out from all the rail operators was as it should be. We did a review of all their websites, so that condition was in there. Yes, I think conditions that are going to improve services for the end user should be in all of them.

Q14 **Sam Tarry:** Stephen, the Urban Transport Group criticised the Government recently, saying that their transport subsidies had been short term and allocated "mode-by-mode, with different criteria, end dates and arrangements." Do you have a view on how the financials had been provided, and perhaps how the Government could have acted, and then translate that into how we start to act going forward?

Stephen Joseph: It is clear that we will need public transport funding. There are not lots of people on it at the moment, although I think there are signs that some patronage could come back quite quickly. In effect, we need the Government to pay for the wider benefits that public transport brings through reducing congestion, decarbonisation and reducing pollution, and through clean air in cities, as well as place making.

I endorse what Linda said about stations. One of the things that really does not work in the franchising system is the way that stations are looked at. They are divided into below the platform, which goes with Network Rail, and the bit above the platform, which goes with the short-term train operating franchises. It is quite clear that that means that the wider place-making opportunities for stations do not happen.

I co-authored a report for the Urban Transport Group on what has happened when stations are devolved, when there has been devolved involvement in stations. We see some of that in the west midlands at Wolverhampton, Bromsgrove and places like that. In West Yorkshire, there have been some good new developments around stations. In Scotland, Shawfair on the Borders railway has been used as a new station and a centre for housing development. Those have been done despite the current franchising system. I know the west midlands has a stations alliance, which has had to get into the detail of who is responsible for removing graffiti on the areas around stations.

Clearly, that system does not work and needs to be developed. There is a huge opportunity in the new system for making the railways better. I agree with you about the linkages. On the Taktfahrplan point about integrated ticketing, although this is not widely known because they have not really shouted about it, Cornwall have been trying to build up a Swiss-style integrated public transport network. They have found enormous difficulty getting the trains and bus ticketing systems to talk to each other. They have done a lot there. They have upgraded the timetables and they integrated services, but they have given up trying to get the ticketing to work. They have a bus ticketing offer, and they are now trying to work out how they can integrate it with rail.

There is just one point to make about this. Many people do not have cars and many more people are car dependent and would like not to be. Good public transport is about giving those people access to jobs. There are fewer social care costs when you get people out of their homes with good public transport. There is reduced obesity. Those wider benefits need to be looked at. If there are cuts in bus and rail services, those wider benefits will be damaged. Of course, people talk about shared transport and demand-responsive transport, but those should supplement and integrate with rather than replace conventional buses and trains, even in rural areas.

Sam Tarry: Thank you. Those are very thoughtful answers, and there are perhaps some things the Committee could seek further evidence on at a later date.

Q15 **Simon Jupp:** Good morning to the panel. In your opinion, when we are thinking about the future of the relationships with various rail operators and other operators across the country on different transport modes, what conditions need to be satisfied before Government subsidies are withdrawn or indeed reduced?

Linda McCord: What is extremely important is that the network continues. We have talked about enticing people out of their cars and back on to public transport. If the network is not suitable and does not continue to offer the services that are needed for people, whether that is rail, bus or tram, they will not be able to return because the network of services that they need will not be there. The subsidy needs to continue to ensure that the transport infrastructure and network continues until such time as we see demand return to a place where it can be more commercially viable. It is important for society as a whole to be confident that we are maintaining a network of services to meet the end users' needs.

Q16 **Simon Jupp:** Even if those services are not being used?

Linda McCord: At the moment, it is obvious that they are not being used as much as they used to be. While our insight shows that people are looking to work from home—all the things we have already talked about—there are people who want to return to public transport. In order to be able to return to public transport, they have to have a decent choice. That is why it is important that the subsidy continues.

I would like to beat the drum a little bit for bus. We tend to talk about rail. It is a hungry child. It gets a lot of attention. Bus needs subsidy hugely and, unlike rail, it does not have the comfort of some of the subsidy that has been put in place that gives longevity or whatever. Bus needs a little bit of a focus because that is where local need is very much met.

Q17 **Simon Jupp:** I understand that. Wandering round my constituency, I see empty buses going round east Devon at the moment. That is a bit worrying for the future of public transport, but also very worrying for the amount of money being ploughed into services that simply are not being used. Can I ask Mark the same question?

Mark Westwood: The important thing, as Linda said, is that transport is a key enabler of the wider economy. Speaking to the point that you have just raised about empty buses travelling around the community, that is an artefact of delivering a transport system that does not necessarily meet the current demands of transport users. That is why it is so important that we use innovation to understand better the data on people's true demand for transport services, and put transport operators in a position where they can innovate and use different business models to deliver the transport that people need in a more cost-effective way.

Q18 **Simon Jupp:** I could not agree more; thank you, Mark. Over to Stephen.

Stephen Joseph: I shall big up the University of Hertfordshire a bit. The university runs its own bus company to provide services not just for staff and students but for the wider community. It has done that because those services were not being provided by other bus companies. It is now providing subsidiary operations in other counties, like Northamptonshire. It has shown that that is possible.

I echo what Mark said about data. The university has done a lot of work with the bus company on data—for example, on getting smart ticketing that enables you to find out which students and staff are getting on which buses where and tailoring the network accordingly.

The university ran a set of roundtables on the future of transport outside cities earlier this year. In fact, I provided a summary of that to the Committee's secretariat. We found that there is a case for both conventional bus and obviously trains even in rural areas, and for the use of more flexible services. One of the things we found was that during the pandemic there had been some very interesting responses by transport operators. We found a very interesting case study in Sevenoaks, where the incumbent bus operator had changed their services to flexible services, particularly for the more rural areas surrounding Sevenoaks. That enabled journey opportunities that had not been there before. They are proposing to continue that after the pandemic, with support from Kent County Council.

It is worth saying again that there is no subsidy-free route for public transport, particularly for bus. It is about how the subsidy is provided and for what. The role of local authorities outside cities, as well as in cities, needs to be recognised. Devon has been a bit of a leader in trying to join up the provision of transport. Too often, social services transport, school transport and non-emergency patient transport are all provided by different contracts and different public bodies. Devon has done quite well over the years in trying to bring those together.

Non-emergency patient transport in the NHS has always been difficult. The concept of what is known as total transport is a way into that. The Government did some pilots with that, but they did not really follow them up. That kind of thing could allow a much better approach, particularly for transport outside cities, but in suburbs of cities too.

Simon Jupp: Thank you, Stephen. It is good to hear smart ticketing mentioned as well. It is a really interesting and innovative policy.

Q19 **Chair:** Linda, we have moved from a situation whereby on rail, under successive Governments, the rail passenger has been paying for the operation of the trains, not the general taxpayer. We have got to a situation now where the general taxpayer will put in £9 billion for the trains to operate. On buses, we are seeing a £5 billion injection on bus usage from the general taxpayer. At what point in time do we need to reduce costs, and possibly reduce services, in order to give value for money to the general taxpayer?

Linda McCord: That is a good question. It has been Government policy that it moves away from the taxpayer, and that is why fares have gone up, particularly on rail and other things. As I mentioned earlier, certainly for the short term, there is no question; the network needs to be supported or there will be no network. As we start moving out of the pandemic and we start convincing people to come back to public

transport—we have a job to do there—I guess the subsidy will reduce and will be back to the farepayer, who may be paying the bulk of that.

It is breaking all our hearts—those of us in public transport—that for the last 10 years we have been trying to convince people to get out of cars and get on to public transport, and now we have stepped back. We have a job to do to ensure that it is those who use public transport who pay for it.

Chair: Thank you. That tees us nicely to the next section. We are going to talk about modal shift towards cars and active travel, and if that is a longer-term trend.

Q20 **Greg Smith:** I would like to pose three questions, which I will wrap into one. The witnesses have talked this morning about the modal shift to cars. That has clearly happened. I ask very briefly whether that is actually not a self-selecting issue that will correct itself. I look at myself. Through the month of June, I decided to drive to Westminster from Buckinghamshire every day. The reason I stopped and went back to the train in July was that the traffic had built up again and it was taking too long. Is it not the end user who will choose when to make the shift back to their normal patterns anyway, and this will not be such a long-lived phenomenon?

Secondly, is it such a problem, especially given that manufacturers have made diesel and petrol engines a lot cleaner? Mild hybrids and hybrids have come in, and we now all know that the Government are moving to ban diesel and petrol from 2030. Electric cars will become the dominant vehicles on the road if we are looking at it from the environmental perspective.

Thirdly, isn't it just a city problem? In my constituency, which is 335 square miles of north Buckinghamshire, the car is essential. You cannot really exist in a rural environment reliant on public transport for everything you do. The shift back to cars is very much a city problem, which, coming back to my first point, will be corrected by self-selection as people find themselves congested again.

Linda McCord: As you say, there is no doubt that people have shifted a little bit to their cars. All of our insight shows that. Your self-selection point is a good one. People will start coming back to public transport once they have the confidence to do so. Unfortunately, we had a message right at the beginning of all of this for people to avoid public transport. The industry is working extremely hard to give reassurance to people. GTR has started campaigns around reassurance that trains are safe, and that you can come to the station and you will be taken care of. There are things happening in the industry to give reassurance and confidence.

Your point about traffic build-up is hugely important. We saw through the early stages that journey times on buses were hugely improved. We do not want to return to a point where buses are held up by congestion,

which is one of the biggest causes of dissatisfaction around punctuality and reliability.

On the city problem and your point about rural, maybe public transport needs to completely step up to the mark and start offering public transport that meets some of the rural needs. We need to think outside the box of the usual types of buses and think about other ways of moving people. Again, there is a huge opportunity to look at the whole of our transport network in a holistic way to meet the needs of those who want to use it.

Q21 **Greg Smith:** Stephen, do you have any thoughts on that?

Stephen Joseph: On the modal switch to car, I think you are right that it will correct itself as people find congestion grows, but it will need Government action by local and central Government to make that work. As Linda says, we need bus lanes and so on.

On the cleaner cars point, one of the problems we have seen with the switch to car is a large move to old, second-hand cars that are not clean. That is what people have bought. Having cleaner cars and the move to electric cars in 2030, and ending hybrid by 2035, is welcome, but all the evidence is that it will not be enough to meet the decarbonisation targets. We need to reduce traffic and have modal shift as part of that strategy. The Government's 10-point plan last week recognised that as well. I think that is important.

I have two points on rural areas. First, the big issue for many rural areas is leisure use and huge congestion in places like national parks and the countryside. We need to find alternatives for that kind of travel as well as for commuting. The state of the nations report pointed out that leisure travel, defined broadly, is bigger than commuting and education, which are the ones we look at a lot.

I mentioned that we did roundtables. There are opportunities for providing new forms of services to meet needs in places like north Buckinghamshire. There is some very interesting stuff going on just over the border in Northamptonshire, with new operators like Tandem aggregating journeys and getting taxi operators in, to provide them for journeys to work. There are opportunities. We have to find ways such that people do not have to buy very large SUVs to drive round the countryside, because that will not be good either for the countryside now or for decongestion in the future.

Mark Westwood: I will keep this very brief because I agree with the points that the other witnesses have made. I think people will switch back from using their cars in the medium to longer term, but that is based on the customer experience of public transport meeting requirements.

Is car use a problem? Again, I agree very much with the points that Stephen was just making. Yes, we need to move people away from using their cars, to meet carbon reduction targets. What we should really do is look at some of the potential new ways of delivering services and at new and different types of technology and understand how they can provide new options for the way people move around. That is key for the future.

Greg Smith: Thank you.

Q22 **Ruth Cadbury:** Those who campaign against the creation of safe space for walking and cycling have blamed segregated cycle paths and low traffic neighbourhoods for the cause of the increase in congestion. Is that fair? What else do national and local policymakers need to do to give a third alternative—more opportunities to cycle and walk?

Mark Westwood: It is an interesting challenge. It is a local challenge in many ways. You need different types of solution for different localities. The key thing we have missed is true experimentation. If we think about e-scooters for a second, that is a technology that we have seen coming for some time. What we need is an agile experimentation and regulatory environment, such that we are able to explore the potential for it to give people new travel options in different places, and to share the learnings from those experiments between different places, so that we can accelerate the uptake of those types of options.

Stephen Joseph: In relation to the arguments about congestion as a result of these spaces, with public transport use down, as we have discussed, it is not surprising that there has been an increase in congestion generally. We need to do things about that by providing good public transport to relieve congestion on main roads. If every cycle lane, every low-traffic neighbourhood and every bus lane was removed, and every road that every user had ever thought of had been built, we would still have congestion. Look at the 24-lane highways in the United States, for example.

I have a role in Liverpool that is a bit like Linda's. I chair the board of their bus alliance. You may know that a lot of the bus lanes in Liverpool were removed. Did that make traffic move better? No. In many cases all that happened was that the bus lanes were replaced by parking, legal or illegal, and the traffic did not flow more freely. I have the view that there is not a congestion-free future out there if we magically remove all the cycle lanes and the low-traffic neighbourhoods. It is just not realistic.

I also think there is an issue about voices and who gets involved in transport debates. It is quite clear that at the moment a lot of transport debate—not just about this—is a few shouty voices. Parents, children, young people, women, the disabled and black people tend not to be as heard in transport debates. I am not saying they all support low-traffic neighbourhoods or cycle lanes; I am just saying that they tend not to be heard. We saw yesterday in Kensington and Chelsea that some primary schools, which have really benefited from the cycle lane there, feel that

their voice has not been heard at all in the decision to take out the lane. They organised a cycle demonstration for their kids, who have found it much easier to get to school by bike.

There is one other point. This is not just about cycling; it is about walking. The state of the nations report that we wrote said that 26% of journeys are on foot. Pedestrians particularly get a very raw deal in transport. The low-traffic neighbourhoods, the school streets and so on are one way of redressing that balance.

Q23 **Ruth Cadbury:** Do you have anything to add, Linda?

Linda McCord: What we learnt from the tranche one funding in some of the road allocation and active transport is that there was not enough discussion and consultation on active transport buses. Where that happened in the west midlands, we were able to make it work for all. I am going to keep saying it: people working holistically together to ensure that all modes are being considered is vital.

Chair: We will stay on the same section and move on to Karl McCartney.

Karl McCartney: I am quite happy to move to the next section and not ask my questions, Chair, as it is nearly half-past.

Chair: Thanks, Karl. We'll come back to you anyway in the next section, which is on the workplace parking levy. We'll start with Lilian Greenwood.

Q24 **Lilian Greenwood:** Good morning, witnesses. Councils have powers to implement a workplace parking levy, albeit that they need permission from the Secretary of State. So far Nottingham is the only city to have done so. Would you encourage or support more councils to introduce a workplace parking levy to discourage car use for commuting purposes, and generate revenues for better alternatives? Stephen, you know Nottingham well. Is the workplace parking levy a model for others to follow?

Stephen Joseph: Yes, I think it is. A number of authorities are looking at it. In fact, I think Hounslow in Ruth's constituency is consulting on a levy, which will pay for a new rail link from Brentford and provide real alternatives for what is a pretty car-based area of the borough at the moment. I think they have some support from local businesses. There are other places. Oxford is actively looking at it as well.

Lilian, you will know much better than me that there were arguments in Nottingham, when the levy came in, that there would be tumbleweed through the streets and that everybody would migrate to Derby and Sheffield. That has not happened. In fact, people have seen that the levy has bought new tramlines, better bus services, an upgraded railway station and so on. There are real opportunities for the levy to be used in various ways around the country.

It is not always the case. Only where you have a lot of workplace travel does it become an issue and a benefit, but there is an opportunity to

have a grown-up conversation with employers: "If you pay this levy, what would you like to see it go to?" There are signs that that discussion is happening in a number of places now. The Scottish Government just legislated, rather controversially, to allow such levy powers to be available in Scotland. I think both Edinburgh and Glasgow are now looking at it too.

Q25 **Lilian Greenwood:** Thank you, Stephen. Linda, I know that Birmingham is getting a clean air zone, but could a workplace parking levy have a place in the west midlands transport mix?

Linda McCord: Maybe. If there is to be such a levy, the infrastructure to give people choice to travel by other means—bus, train, tram or whatever—has to be in place. It is picking up a little bit of what Stephen was saying about better bus services. If there is a levy for me parking in central Birmingham, and I cannot get a bus or a tram, I am just going to see it as a tax. In order to encourage people to use such a scheme, there has to be value for money and good, reliable services so that people do not feel that they are just being hit on the head with a tax.

Q26 **Lilian Greenwood:** Mark, some might see a workplace parking levy as quite a blunt instrument. Can technology provide us with car user charging in a better way? Are there better alternatives?

Mark Westwood: There are lots of options that technology can provide. The key question is to shape the challenge or the question that we want to address. It is really around modal shift. Behavioural science would suggest that people's choices tend to be quite sticky, and there is a need for a bit of carrot and stick to encourage people to make different choices.

One observation I would make on car usage is that the marginal cost of a journey is comparatively small compared with other travel modes. It is typically just the cost of the fuel involved. Technology could provide ways to give the user a much more accurate overall cost for their journey. It is around shaping the question and then creating the environment for innovators to come in and provide solutions.

Q27 **Lilian Greenwood:** I have a follow-up question about how councils secure support for measures, whether it is a workplace parking levy or other road user charging. The recent Climate Assembly report that we commissioned as a Select Committee considered road user charging. A local business levy was only supported by 31% of assembly members, while road user charging of some sort was supported by 56%, which is a majority but only just.

It is quite a challenge, isn't it, to persuade the public that this is a good idea and that there are benefits to be had? People tend to regard jumping in their car as very low cost, as you have just said, Mark. What do you think about how the argument can be won with the public for doing it in a different way?

Stephen Joseph: First, on road user charging, I think something like that is going to come anyway, if the Government move to ending petrol and diesel cars, because at the moment they get a lot of revenue in fuel duty. The 10-point plan hinted at a move towards some kind of charging or changing the way motoring is taxed so as to keep revenue up. It is around the place somewhere.

It will be very difficult. There are some examples around the world. I think Oregon offers a choice between paying a road user charge and paying fuel duty, so that people feel that they have a choice. The Wolfson Prize came up with a number of very interesting ways a few years ago. A road miles scheme was one idea. There are ways into it.

The workplace parking levy is local and I think there are opportunities, as in the case in Ruth's constituency, for showing that it is about real, practical benefits on the ground. In Nottingham, when people saw the tram bridge going in over the station, they thought, "Yes, this is real and it's happening." I am not saying that businesses are enormously happy about paying the levy, but they can at least see they are getting something out of it.

Q28 **Lilian Greenwood:** Thank you. Mark or Linda, do you want to add anything?

Linda McCord: Not particularly.

Chair: Time is marching on, Lilian. I want to bring Karl in as well.

Q29 **Karl McCartney:** Linda was saying some things about taxes and whether we would describe a levy as a tax or not. Stephen, you talked about lots of different things. You seem to think there is a bottomless pit of taxpayers' money to make benefits. We all know, if we have used trains or cars, that people make a choice about whether it is ease, journey time and, yes, also cost.

Being realistic—you have all used that word—how do you think we can make sure that the same numbers of people move away from cars or vehicles of their own and go back to public transport, sooner rather than later, once the pandemic is over?

Stephen Joseph: There certainly is not a bottomless pit of taxpayers' money. The point I was making earlier about total transport is simply that at the moment we do a lot of public transport really badly, particularly in more rural areas, because we have lots of bespoke services being provided by different public contracts. There is an opportunity for making much better use of the funding that already goes into transport services through, as it has been called in the past, total transport. I am sure, taking some words from Mark, that data allows you to make much better use of the knowledge of what is there and what the demands are. That is a really important way forward.

How can we get people out of cars and back on to public transport? Make it attractive in terms of services and price. We have mentioned ticketing, high-quality bus lanes and integration between bus and rail and other modes of transport. It is not rocket science. Some of it is really simple. As I say, you can do that even in rural areas. Lincolnshire has done some of it.

Q30 **Karl McCartney:** They are carrots that will work in urban areas, but they won't work in rural areas. They certainly won't work in rural Lincolnshire. I am going to ask you to finish there and go on to either Mark or Linda for an answer.

Linda McCord: I will be very brief and cover what I have said already. It is about giving people what they are looking for, which is punctual, reliable services that they can trust and have confidence in using. When you are offering what people say are their priorities, people will start making the shift.

Mark Westwood: We must simply find a way to deliver services that meet the true demands of citizens much more efficiently. Technology and innovation is our way into that. We must be much more open to innovation and experimentation in the way that services are delivered.

Stephen Joseph: I must quickly add one thing, and that is housing policy. Where housing is developed and what design it is will have a huge impact on the travel choices people make. That point needs to be made to the Secretary of State for Housing and Local Government in the planning reforms that he is currently considering.

Karl McCartney: A stick rather than a carrot.

Q31 **Simon Jupp:** We are moving on to public perception about the safety of public transport, which I think was touched on earlier in this conversation by Linda. Only 1% of coronavirus cases in France and Germany were caught on public transport, yet of course the public here are extremely wary about getting on a tube, a train or a bus because of the fears and the messaging we heard earlier this year. Linda, what do the Government need to do to restore confidence among customers and passengers?

Linda McCord: It is a very clear message, working with the rail industry but bus as well, that actually our buses and trains are safe. As I said right at the beginning, all of our insight shows that those who are using it are satisfied and saying it is safe. The industry needs to work more strongly on getting out the message that you are safe on our public transport. We are beginning to see that.

Q32 **Simon Jupp:** Back in March, that was the messaging. It was quite harsh and hard. It hit people quite quickly, and they were obviously scared of what they heard. In hindsight, was that a mistake?

Mark Westwood: I can only reflect on the fact that we were dealing with an incredibly fast-moving situation, with a virus that people did not

understand very well. In the circumstances, it was an appropriate thing to do.

Stephen Joseph: As it turns out, it clearly was not evidence based, but I take Mark's point that at the start of the pandemic nobody knew very much about it. I think the messaging about avoiding public transport went on far longer than it should have done. There is a risk—Scotland has seen some evidence of this—that informal car-sharing might actually be worse than using public transport in terms of spreading, which is what people will go to in the run-up to Christmas and so on.

There are some public transport companies that have really done well in getting over this. I single out Transdev in Yorkshire and Lancashire, which has done an amazing job in getting people back on buses, as have some of the regional authorities. Nexus has done that on Tyne and Wear Metro. There has been a lot of good practice on the ground. I think they need more Government support, and the Government messaging needs to change fundamentally.

Linda McCord: To pick up Stephen's point, even through the real core of all of this, bus was better at the messaging. It was more welcoming than rail. We are beginning to see strong messages now from across the industry that are giving reassurance.

Simon Jupp: Thank you. I think I echo many people when I say that I have never felt safer on the London tube network, for example, due to the immense efforts of TfL to make sure that it is clean for everyone to use.

Chair: A very patient Gavin Newlands will deal with the last section, on fares and the cost of public transport.

Q33 **Gavin Newlands:** Thank you, Chair. That is not something usually associated with me.

Over the last 10 years, bus and rail fares have increased above inflation, whereas the cost of motoring has fallen in real terms. In asking what Government can do to reverse that trend, make it more affordable and increase passenger numbers, I think we have to talk about subsidies.

The subsidy for public transport in London, for instance, is over 300% higher than the rest of England. I can jump on a bus in London for £1.50 and travel for hours on two buses across the breadth of London. That same £1.50 would not even get me one stop in my constituency, and I might have to wait a long time for the bus as well. That is the problem. It is not a devolved issue; it is across the whole of the UK. What can the Government do to reverse that trend?

Stephen Joseph: Yes, we need to make public transport more affordable, particularly for young people. We have pensioners passes, but young people do not get discounts. We have seen what works in Liverpool. They introduced the MyTicket scheme there, which is a simple flat fare for everybody in full-time education and training, and bus use

rocketed by 143% in the first three years of that all-operator, all-modes ticket. That shows you that fares reductions might actually make sense.

In thinking about decarbonisation, we might want to look more radically. There have been some cities and countries that have been experimenting with free fares—for example, some French cities. It might be worth seeing what happens here with much reduced fares. In fact in Cornwall, as I mentioned earlier, they are trying with their superbus funding scheme to look at reduced fares and whether that makes a difference in a rural area.

It is worth places like the ones many Members represent looking at what Cornwall is up to. There are some really interesting lessons to be learnt on fares and elsewhere. We need to make public transport affordable, and simple smart ticketing is a way into that.

Q34 **Gavin Newlands:** The Scottish Government are consulting on free bus travel for under-19s at the moment. Can I have some very quick responses from Linda and Mark? Is there anything different from what Stephen said?

Linda McCord: Picking up on the increase in fares, we have seen that in the west midlands as well. The point I want to make is that actually what we need to do, particularly coming out of the situation we are in, is to offer the flexi-tickets that people will want. If people are shifting the way they travel, because of shifts in work or education, we need to offer them the ticketing products they are looking for, whether that is flexi-tickets or books of discounted tickets that they are able to use when they want.

Mark Westwood: The first thing we need to do is to make public transport more attractive to increase the numbers. The points we have been making around multi-modal, transport integration and holistic options are really important. We must create the conditions for that to be a success.

The second thing is efficiency of the system. We talked earlier in the session about how some public transport systems are inherently not very efficient. We should use technology to help us understand those inefficiencies and remove costs from the system.

Gavin Newlands: Thank you, Chair. I would love to drill down a bit more into fares and subsidies, but we are well out of time.

Chair: Thank you, Gavin. You are right. We are out of time. Linda, Mark and Stephen, thank you for giving us the expert group and academic perspective to kick us off in our inquiry on reforming public transport after the pandemic. Thank you, and we look forward to hearing more from you as we progress.

Examination of witnesses

Witnesses: Laura Shoaf, Councillor Renard and Chris Hinchliff.

Q35 **Chair:** We now move to our second panel. We will be hearing from local government and transport authorities, and representatives from rural communities. We have three representatives giving us evidence for our second session. I ask them to introduce themselves and say a little about the organisation they represent.

Laura Shoaf: Thank you, and good morning everybody. My name is Laura Shoaf. I am the managing director at Transport for West Midlands, the integrated transport authority in the Birmingham region. I am also here today in my capacity as vice-chair of the Urban Transport Group, which represents all the urban transport authorities up and down the country.

Chair: Excellent; two hats for you, Laura. Thank you very much indeed.

Councillor Renard: I am Councillor David Renard, leader of Swindon Council, but I am here today in my capacity as the chair of the Local Government Association board that covers economy, environment, housing and transport.

Chris Hinchliff: Good morning. I am the transport policy and campaigns officer for CPRE, the countryside charity. We are a charity with tens of thousands of members, and a group in every county.

Q36 **Chair:** Good morning, all three of you. Thank you for being with us.

I will open by asking whether you have seen a shift to home working affecting public transport in the areas of the country you represent. If you have, is it a matter for employer and employee to decide, or should the Government actively correct any changes?

Laura Shoaf: I was just looking at some stats about where we are on footfall and return to our big cities. Footfall in cities is down, and the bottom 10 are dominated by the big cities. London is at only 32% of normal footfall; Manchester is at 37%; Birmingham is at 41%; and Liverpool is at 44%. That is reiterated in spend. The percentage of workers in those big city centres who are now working from home is making a material difference to our cities.

Do Government have a role in that? Yes, I think they do, inasmuch as, when we move into a position where we are no longer making recommendations for people to work at home, it is important that the Government make it very clear to workers who can and want to return to cities that transport is safe and efficient, especially given the high commuting levels of people who use public transport in our big cities. There is a role to play in being an advocate, as some of the other experts have already testified, and saying that public transport is safe, available and ready for people to use for those who choose to come back to work, in whatever shape they agree with their employer.

Q37 **Chair:** Thank you, Laura. David, can I ask you the same question?

Councillor Renard: We have certainly seen a shift away from going into town centres. As Laura says, it tends to depend on how dependent some of these centres are on leisure and cultural visitors and how much they are dependent on education. Higher education centres have suffered more than others. There is certainly a role for Government to get people back into town centres.

I am sure we will talk more about subsidies later on. Subsidies, certainly from a local government perspective, are some of the levers that we think Government can pull to encourage people back on to public transport. We have certainly seen, as was said by the earlier experts, that people felt that public transport was not safe, so they shifted to their cars. A lot of the decisions about going back into large office blocks will be made by businesses and their employees. We need to make it easier for people to make the choice to go into the centres.

Q38 **Chair:** Chris, Laura has given us some pretty dramatic figures from the urban city perspective. What are you seeing from a rural perspective?

Chris Hinchliff: We are definitely seeing more homeworking in rural areas. It remains to be seen whether that is a long-term shift, but if it is, it offers quite an exciting opportunity for rural communities. We could see them become more lived-in areas, rather than the commuter dormitories that some rural communities have sometimes been in previous decades.

In terms of what the Government's role is, I think the Government will always have a role in influencing our transport decisions, depending on what negative externalities arise as a result of them. I would not suggest however, in this particular instance, that the right thing to do is to try to rebuild an urban-centric commuting model.

Q39 **Chair:** Thank you, all three, for the opening remarks. To touch on Government subsidy for public transport, perhaps we could focus on the dramatic figures that Laura gave us. What that means is billions of pounds of taxpayers' subsidy to continue to run services that fewer people are using. In light of that, how sustainable is it for Government, and indeed the taxpayer, to continue to pump in billions of pounds while passenger numbers remain slow?

There was a dramatic pause. I will come to you first, Laura, as you gave us those figures.

Laura Shoaf: I would like to answer in two parts. First and foremost, part of the reason that we are not seeing the numbers of people on each and every service that is being run is social distancing. We are not talking about a level playing field, but we have seen recovery happen in different ways.

Bus, to take either London or Birmingham, is at about 50% capacity. On most buses, that is about what they can take while being able to maintain social distancing. We are running full services and we have a lot of very full tubes and trams. Light rail has recovered quite well, but rail not so

much. There is more demand than it may seem, because we are running a lot of services that are as full as they are allowed to safely be at this moment in time.

If we take the west midlands, for example, 31% of our residents do not have access to a vehicle at all. It is important to recognise that in an urban setting what we are providing is a real social necessity. I highlight our own experience in the west midlands, which is that the people who have already been disproportionately impacted by the virus are often the same people who rely on public transport and are our key workers. At any point in time, if there is a reduction in service, it will disproportionately impact the people who have already been hardest hit by this virus. That is really important in the context of the areas that our group represents.

We are running timetables at the same levels that they were, but they simply cannot take the same patronage. Hopefully, we will move into a post-pandemic situation where people either do not need to be as socially distant, or where the distance between people has changed. I think there are ways that we can be more efficient about the subsidy and the services that we provide. While we have done really well as a nation to respond to the virus, what we have seen is a move away from devolution.

In our area, for example, if the money that has been distributed directly to operators had come through a transport authority such as our own, we could have designed a more integrated network, which might have been able to serve, based on the information we have, the same people in a slightly different way. If you have bus, rail and light rail competing down one line, you could reallocate that capacity to another part of the conurbation and, in so doing, potentially find a way to save money.

We feel strongly that if we could devolve the subsidies to areas that can design those services we could do better for the taxpayer. I will give you one really practical example. At Transport for West Midlands we own and operate a ring and ride service, which is essentially demand-responsive transport for some of our most vulnerable.

Clearly, throughout this pandemic it has not been the right decision to move people who are particularly vulnerable on minibuses, so we repurposed them to move key workers between railway stations and hospitals—key bus inter-stations and our key hospitals in the region—for free. We have been able to take over 30,000 of our key workers to and from places of employment late at night, or at times when they might not have been safe where they rely on the public transport network. Where we can make those decisions closer to the people we serve, I think we can do better, and we can do better for the taxpayer.

Q40 **Chair:** David, people talk about waiting to see if a new normal returns. How long can we wait and see, or should there be some form of criteria and conditions put in by Government to see if subsidies should be reduced and costs should be cut?

Councillor Renard: I think 2021 is the year when we will see whether people return to previous levels of usage. The LGA has been looking at this in conjunction with the climate change agenda. If everybody goes back to pre-pandemic levels of using public transport and private vehicles, even if all of those private vehicles are electric or hydrogen, we still, as a country will not hit our climate change targets. The overriding message has to be to get more people on to public transport and out of their private vehicles, regardless of the type of vehicle they drive.

From the local authority point of view, there are a couple of subsidies that we think are unhelpful and perverse—for example, the bus service operators grant, which is currently paid to bus operators to subsidise the cost of diesel. In the context of climate change, that is obviously a perverse incentive. The Local Government Association would like to see that grant, which currently totals around £250 million, devolved to local authorities to help shape their local transport needs.

Concessionary bus fares, which were introduced a number of years ago, have never been fully funded; there is a funding gap of about £700 million between what councils have to pay the bus operators and what they receive from Government. Until that gap is closed, it is going to be very difficult for local authorities to consider providing further subsidies to encourage more services and get more people on to public transport.

Q41 **Chair:** Chris, could you expand on what the impact would be in rural communities were the Government to remove the extra subsidies that have been put in?

Chris Hinchliff: I have been speaking to some bus operators, who have essentially said that there are no commercial bus services left in the country. There was already a pretty patchy service in rural communities. CPRE did some research, which came out earlier this year, showing that more than half of the small rural towns in the south-west and north-east of the country were already transport deserts, or at risk of becoming one. In short, if the Government choose to remove subsidies and seek to move back to a commercially based system, the bus network across rural areas will continue to wither and will stop serving communities in the way they need.

We really need to think about what we are getting back for our public money. If we want a good public transport system, it is not going to be possible to remove public subsidy. The question is, what do we get back in return, and is it possible or necessary for public money to provide a universal service that is a comprehensive network? If we are putting large sums of public money towards public transport, that is what we should be getting in return.

Chair: We are going to move on to a third section, which is modal shift towards cars and active travel and whether it is a longer-term trend.

Q42 **Greg Smith:** Good morning to our new panel of witnesses. I don't know

whether any of you heard the previous session, when I made three points on which I am interested to hear your views. We will expand a little bit more with Chris on the rural point in particular.

First of all, with the modal shift we have seen to own vehicles and driving, is it not the case that it will be self-selecting? The example I gave in the previous session was that I drove from rural Buckinghamshire into Westminster every day in June, but I only did so because traffic was very light. When it started creeping back up towards the hour and a half or two-hour mark, I went back to the train.

Is it not the case that any concerns about a shift from public transport to cars will self-correct as people find themselves in higher congestion? Is it really a problem that we are seeing more people in cars, especially if we look through the environmental lens? Manufacturers have spent billions of pounds in getting diesel and petrol cars cleaner than they ever have been before, plus we are looking down the lens at the 2030 ban on diesel and petrol for new vehicles.

Finally, there is the bit that I really want to dig into, representing a rural constituency myself. Is it actually not the case that no matter how much we can improve bus services, local rail links or whatever it may be, in rural settings, it is one of those "just is" scenarios? In the countryside, particularly if you live in a small 100-house hamlet or a small 200 or 300-home village, the car is simply essential, and any attempt to try to take away from that is just not realistic.

Chris Hinchliff: Three important questions there. I do not have much evidence to respond to the point about self-selecting car driving. The only point I would make about that is that the Government need to be proactive in seeking to achieve modal shift from car travel to public transport. We know that, even with the early introduction of electric cars, in order to meet our decarbonising transport targets we need to see car traffic fall by 20% to 60%. There is a long way to go and the Government need to be proactive.

On electric vehicles making car driving no longer an issue, I would disagree. There are still many issues that arise from traffic, whether or not it is electric cars. There are still traffic deaths. There is still the point that tyre and brake wear create particulate matter that contributes to air pollution, causing over 40,000 deaths a year. There is also the point that microplastic pollution, again from tyre wear, introduces 68,000 tonnes of microplastics into our waterways every year. There are a number of serious issues that arise from car travel, whether or not it is in electric vehicles.

In response to the point around whether it is a city issue or a rural issue, and whether it is realistic to seek to achieve modal shift in rural areas, I emphasise some of the best case studies from abroad, which show that it is not necessarily a rural/urban issue. It is a matter of political will and public funding.

To take some of the best examples, North Hesse in Germany and Berne and Zurich in Switzerland have much higher levels of public transport provision in rural areas. In Zurich, there are hourly bus services for every community of over 300 people from 6 am to midnight, seven days a week. In North Hesse, it is a similar level for communities of over 200 people. They have a slogan of, "Every village, every hour." They are much more ambitious than we are, and as a result they have public transport per capita use that is around four times higher than ours. They are looking quite confidently to double that in just the next two years. I think that, with the right approach and the right commitment, we can absolutely see significant modal shift in rural areas as well as urban areas.

Q43 **Greg Smith:** With that ratio between the population and an hourly bus service, presumably it is heavily publicly subsidised. There is no way that could be profitable in its own right. I can think of certain projects that I think you and I would agree could be cancelled that could pay for that—HS2—but what would be the level of taxpayer subsidy that would have to go in, in your estimation, in the UK to deliver that level of hourly bus service to every rural community across the United Kingdom?

Chris Hinchliff: You are absolutely right. I am fairly certain that those are not commercially viable services. That is the issue we have seen in rural public transport provision in England. Low-density rural populations cannot support high levels of commercially viable services. Yes, it will require public funding.

I am very glad that you asked me how much it would cost because it gives me the opportunity to trail some research that CPRE is currently undertaking with Transport for Quality of Life, which we hope should be published around March next year, into that very subject: what level of public funding is required to deliver that sort of top standard minimum service requirement for every rural community across the country? I hope to be able to come back with a full answer to that in the future, but for the time being all I can say is that the research is under way.

Q44 **Greg Smith:** I look forward to reading it; thank you very much. David, what are your views?

Councillor Renard: I agree with you that people will self-select; they will choose the mode of transport that is most suitable for them, based on a number of thoughts. First of all, with the pandemic we have seen a lot of people not use bus services because they felt they were unsafe and were a place for spreading the disease. As we heard earlier, there is not much evidence for that. The first thing we need to do is persuade people that bus services are safe again.

It is also about cost and frequency. If we are to get people to use public transport more often, they have to have confidence that services are going to turn up on time; that they are going to be clean and efficient; and that they are going to be cost-effective when they compare the cost

against using their own private vehicle. That is the balancing act that we have to do if we are to get people to make that shift. I certainly take your point that in rural settings quite often the car will be the only option, unless we go in for the high levels of public subsidy that Chris has just talked about.

Q45 **Greg Smith:** Thank you. Laura?

Laura Shoaf: I will not repeat what others have said. Chris can speak to the rural environment, and that is not what I represent. To pick up what David said, I agree that it would be naturally self-selecting, but people have to feel safe and there is more we can do on that.

It is not just telling people that it is safe. It is demonstrating that and enforcing it by putting a lot more resource into the messages. In the west midlands, for example, we have safer travel teams that go out on to the network. They help British Transport police. They make sure that people have their faces covered and that people stay apart. Confidence will be absolutely key. With the best will in the world, people will still sit in traffic if they do not think it is safe on public transport. We know, as other people have said on this call, just how safe it is. There is still work to do to make sure that we do not wind up with a car-based recovery.

Others have commented on the challenges around automobiles. In urban areas—London is no different—the competition is for how we allocate road space. There are a lot of demands for road space. Any sort of private vehicle is at odds with buses, e-scooters, bikes and walkers. How we develop and have the smartest road networks we can, and how we prioritise and make as much space available on road networks that cannot be fundamentally changed, will require a balance of all users. That will be part of the challenge. It is not just changing from one type of vehicle to another. We will still wind up with the challenge of single-occupancy car use.

Chair: Such is your ingenuity, Greg, that I am sure if we did an inquiry on the coastguard, you would bring in a question on HS2.

Greg Smith: Of course I would!

Q46 **Chair:** Laura, I want to ask you about the decision for the west midlands, where Birmingham is bringing in an £8 charge for higher polluting vehicles to travel into Birmingham city centre. Do you think that is inevitable for other cities, whether to meet the target on net zero, to plug the finance black hole from the pandemic, or indeed to get people back to public transport?

Laura Shoaf: I think when you look at the air quality challenges that we have, especially in the city centre, it becomes a "must do" issue. Earlier, I talked a little bit about our most disadvantaged and the impact it has on them. It simply cannot be okay that people from leafy suburbs are allowed to drive hugely polluting vehicles into the city centre where some of our most vulnerable live. If there needs to be a clean air charge, I

think in the west midlands that for Birmingham it has already been decided that that is what is needed.

We have moved so far into new conversations about clean air and where we want to be. Through the pandemic, so many people told us that what they valued was the quiet, the lack of cars and the clean air that I think we need to make a move.

I think Linda McCord, in the last panel, said that people have to have an alternative. For a city like Birmingham, where the majority of people travel in and out of the city on public transport, and we have a good network that is available to them, that is a really important part of having the carrot and stick offer. It would be incredibly challenging for cities where the public transport offer is not good to do one without the other.

Chair: I am going to bring in Karl McCartney because we are going to touch on the workplace parking levy, which is another issue around cars.

Q47 **Karl McCartney:** You might have heard some of the interaction in the previous session. I want to get your views on how much you think taxpayers or drivers can be taxed even further to get them out of their cars. It is obviously all about stick or carrot. In your view, whether it is rural or urban, do you think the workplace levy is something that will work, or is it once again just drivers being taxed to the hilt, regardless of whether it is a fair policy or not?

Councillor Renard: The position of the Local Government Association is that it is a matter for each local authority to take a view as to whether they want to introduce it or not. The challenge at the moment is that every scheme requires sign-off by the Secretary of State, and a lot of areas that may be considering introducing a workplace levy are reluctant to go through the process on the basis that they are taking the risk that their particular scheme might not be signed off by the Government.

The LGA position is that those decisions need to be made locally without Secretary of State sign-off. The LGA does not have a particular position on whether it is a good thing or not to introduce them. I have my own personal views and I have discussed them in my own council.

Q48 **Karl McCartney:** Feel free to air them.

Councillor Renard: On the basis that it is my personal view and not the LGA view, I do not support it, probably for the same reasons as you. The driver is very heavily taxed in this country, and we know that not all driver-based taxes are reinvested in the network. People are reluctant to pay more taxes unless they can see that they are getting something specific in return. Nottingham have obviously done what they have done, and they are accountable to their local electorate for that decision. That is the way it should be. Local authorities should make the decision and be accountable.

Laura Shoaf: I absolutely echo David's points about devolution. It cannot be a halfway house. If it is for local areas to decide, it needs to be for local areas to decide. It belongs in a package of measures—I know we will come on to this; everything from micro-mobility to a public transport network that delivers some of what passengers need. I think you discussed that in the first element.

I point back to the earlier evidence that you heard. Lilian is from Nottingham, where we have some really good examples that, when it has been done comprehensively with a package of measures, it has been very successful locally. Of course, the benefit there to the taxpayer is ultimately that it has been reinvested in continuing to develop a public transport network. Nottingham is a great example of that.

Q49 **Karl McCartney:** Do you not agree that the taxpayer subsidy is quite high for it to work?

Laura Shoaf: It depends on how you consider the other bit of the funding that would have come for the development of that local network. If it was funded centrally, you could argue that it is less effective than being funded locally.

Chris Hinchliff: As a starting point, in response to the question, there are obviously a huge number of negative externalities from private car driving that are not properly monetised. Similarly, there are a huge number of benefits from public transport in terms of increased active travel to get to and from bus stops, and mental health benefits from engaging with people on local bus services. There are many benefits that are not monetised. I would say that the current system does not accurately reflect the costs and benefits of the alternatives.

Q50 **Karl McCartney:** But in rural areas you cannot have everybody having a private bus to get them to and from their work or to and from a restaurant or a cinema in the evening.

Chris Hinchliff: No; no one would be suggesting a private bus. The suggestion would be public transport as an alternative.

Q51 **Karl McCartney:** But public transport in rural areas does not work in the way you want it to work. You have to have a car.

Chris Hinchliff: Exactly. That is the problem. The point is that we need a public transport system that works better and provides a viable alternative to car travel. Since public transport actually provides many benefits to local businesses through increased numbers of shoppers being able to visit them, allowing tourists to visit rural areas and allowing people to access jobs there, it is right to consider what policies we can look at to capture some of those benefits and help them contribute towards the cost so that it does not fall directly on the Treasury.

On the overall question of carrot and stick, and costs to the public purse, I would point out that Highways England is asking for £90 billion in the

coming decades to cover a series of environmentally detrimental road building schemes that fly completely in the face of the DFT's decarbonisation plan. There are huge sums of public money that could be diverted.

Q52 **Karl McCartney:** Let's be fair; there are 33 million people in vehicles. How much do you think they are getting taxed? It is a little bit more than £90 billion over the same period.

Chris Hinchliff: My understanding is that it is probably about £27 billion over the next five years for RIS2. That is essentially going to come from vehicle excise duty, although there seems to be some evidence that DFT is backing away from that hypothecation. Basically, road taxation from private car travel is going towards road building instead of providing an alternative for public transport.

Karl McCartney: *[Inaudible.]*

Chair: You guys are talking over each other.

Karl McCartney: Understood. Thank you very much indeed.

Q53 **Lilian Greenwood:** We have touched on one of the reasons why, potentially, workplace parking levies have not been used more widely, which is the need to seek permission from the Secretary of State. Do you think there are other things? Is it about public acceptability or political bravery? What do you think are the key reasons?

Councillor Renard: There is politics involved. The judgment for local authorities is whether it is something that their local businesses and local residents would find acceptable. I suspect that in most cases they have come to the conclusion that they would not. As I said earlier, if you are going to tax people more, they need to see that they are getting some benefit for it. Just introducing a parking levy would be seen as a tax on the driver.

If we want to get people on to public transport, which has to be the ultimate aim, we have to have a lot more carrot than stick. If we can make services frequent, clean, safe and cost-effective enough for people to use them, they will make their own choices and get out of their cars and on to public transport.

Q54 **Lilian Greenwood:** That relies on the local authority having the resources to do that. Obviously, the workplace parking levy is, first, a levy on businesses, some of whom pass it on to their employees and some of whom do not. It is hypothecated to spend on transport. Do you think local authorities would welcome the opportunity if they had more resources to invest? Well, it is obvious that they would, wouldn't they?

Councillor Renard: Absolutely. The very clear message from the Local Government Association is that we want more devolution, more powers and more opportunities to make choices such as that. As you rightly say,

the funding needs to be there as well. That is why I touched on the transport-related subsidies that we think need to be changed.

As long as local authorities have to spend more and more money on statutory services such as social care, matters such as transport are going to be further down the political agenda locally, for those reasons. Give us the powers and the right resources, and local government will get on and do the job.

Q55 **Lilian Greenwood:** Laura, I am interested in your view from the west midlands. Should employers pay towards transport infrastructure and services? There has been a lot of investment in transport infrastructure in some parts of the west midlands. What is the role of employers in helping to make that happen?

Laura Shoaf: It is really important. I will focus on Birmingham, where they have been doing some work looking at that. It is a two-way street. Part of it is about them understanding. What Nottingham did well was to be very clear: "If this happens, you will have an expanded tram network. That tram network will bring more people in." There were businesses that were very nervous about it. There was a lot of talk about businesses leaving at the time and relocating. Ultimately, I think that has not happened.

It is probably always hardest to be the place that goes first. It has inspired other cities to see what is possible, and it is for them to decide what that looks and feels like. If we, as a transport authority, cannot make a compelling argument to business, it becomes an incredibly difficult thing to do.

I want to pick up the point about devolution, and the devolution of funding and powers. We seem to be moving to a more centralised system. Even in the comprehensive spending review, it is pots to bid into with certain criteria. We are moving away from the concept of fiscal devolution to city regions, which allows them to make choices about how they choose to allocate their own resource and invest in schemes that businesses support. We know best locally what we want.

That is one mechanism that returns funding back to the region to make a choice on how it is allocated. We have fewer and fewer options on how to do that, so they become more and more important. It should be the entire way we are moving. If we could allocate more funding locally, based on our own choices, we could build the argument better. We could make a more compelling argument, which would help other areas, if they were to consider that.

Q56 **Lilian Greenwood:** Chris, I do not think we are going to get workplace parking levies in rural areas. Does that mean that rural areas miss out when it comes to the opportunities to control their own resources for investing in better public transport?

Chris Hinchliff: That is a really important point. I echo a lot of what has been said about the devolution point. It is important that rural local authorities see as many as possible of the same powers as urban authorities to be able to raise funds to invest in public transport, so that rural areas do not fall further behind in service provision and infrastructure.

Chair: We want to touch now on an area that is often contentious, which is the allocation of space between various modes. The Government have shifted to the extent that more road space is being allocated towards bus, cyclists and pedestrians, and that has not been popular with everyone.

Q57 **Ruth Cadbury:** The Campaign for Better Transport suggested that there should be ways to enable and encourage public transport, active travel and shared mobility, and to dissuade the use of polluting and congestion-inducing transport methods such as cars. What lessons from road space reallocation and low-traffic neighbourhoods should councils and the Government learn about how space is allocated in the future?

Laura Shoaf: That is a good but difficult question. Specifically around the emergency active travel fund, there was a good opportunity for us to put in place local schemes, but a real challenge about how they were rolled out, with very little time. Where we had good worked-up schemes—whether they were about pavement widening or cycle lanes that we knew we wanted—they have been successful, and communities have bought into them. Where we were wanting to trial other things, perhaps not so much, and we have taken some schemes out.

Being responsive and adaptable is really important. Acknowledging when things are working well and trialling things is important, but you also have to be able to say where things have not worked well. Where they have not worked well, they have been taken out and reconsidered. Overall, it has been successful.

I have been talking to colleagues up and down the country. In Manchester, they estimate that 30% of car journeys are under 1 km. That is inefficient use of road space for very short journeys. One of the things that we have been able to do through the pandemic up and down the country is to trial e-scooters. In Birmingham, it has been interesting. It has been about six to eight weeks, and we have seen 38,000 journeys. That is well over 80,000 km, which is twice around the globe. There are many people—almost 10,000 individual users—and lots of repeat journeys. Again, being able to trial something different for a short journey, where it has been successful, has been working. Where it is not, people have to make adjustments.

Ultimately, we need our roads to be smarter, as I mentioned earlier. We need functioning sensor network priority and bus priority in urban areas over the individual car. We cannot really go anywhere; we cannot make the roads any bigger, so we have to make them smarter. That is very

possible and we can accommodate more on those roads by thinking differently about how we use priority.

There is a real trade-off for us. It would be very easy to put a bike lane in an existing bus lane. That is something you can do quickly, but of course it gives you an active travel advantage over a mass transit advantage. Weighing up those pros and cons is difficult. Being able to trial things, to innovate, react and make changes has probably been one of the most interesting things that we have been able to do with short journeys during the pandemic. I hope that we are able to continue to innovate in that way.

Q58 **Ruth Cadbury:** David, your members are local government, and many councils have different views on the allocation of space for active travel. Is there an LGA view?

Councillor Renard: Yes, there is. We are very supportive of active travel and trying to encourage people to walk, cycle or use e-scooters. The big challenge with the request that we got back in May was that there were very short timescales. A lot of schemes were put in at very short notice. Some of them clearly did not work and had to be taken out again. There were a variety of reasons for that. It is certainly something that local authorities want to make a shift towards, but we need sufficient time to consider the options and consult the relevant parties.

In my own authority area, we took out one lane of a road for active travel, but the problem transpired that businesses could no longer receive their deliveries because the cycle lane was where the vans normally pulled up in order to make deliveries to the businesses. We had a huge backlash from local businesses, and it had to be taken out very quickly. If we want to make best use of valuable public funds, we need a bit more time to think and put these schemes in. Again, it is down to local authorities to make judgments that are applicable in their own areas.

Q59 **Ruth Cadbury:** I accept that sometimes schemes went in quickly, and that without professional knowledge in a local authority things that could have been anticipated sometimes weren't and some schemes, rightly, had to be taken out. There have been schemes where there was an increase in footfall and cycle usage, but they were still taken out when they had only been in for a matter of a few weeks. Is there a time period that a considered scheme needs to bed in before it is assessed and removed?

Councillor Renard: I would not say that there is a particular timeframe. The challenge we have with the pandemic is that things are changing so quickly. A lot of schemes worked while there were a very small number of vehicles on the road. People were making that shift and, of course, the weather was nicer and therefore they were keener to get on to a bike or go for a walk.

As time goes on, and volumes of traffic increase, I am sure there will be some pressure on local authorities to remove some of the schemes, on

the basis that it is not the best use of a particular piece of road. As we know, life is changing so quickly that it is hard to predict where we are going to end up. That is why I think local authorities need the funding, and more time to consider all the potential consequences.

Q60 **Ruth Cadbury:** Laura, is there a reasonable time period for a scheme to bed in? Were some schemes taken out too quickly? Should they have been left longer?

Laura Shoaf: I think we took out the schemes that needed to be taken out, and we are letting others bed in. I appreciate David's point; we do not quite know where we are going to end up.

There are a number of factors that change when people choose to walk and cycle. We have seen the numbers for active travel increase across all urban areas, and that is good for all the reasons Chris mentioned earlier, but especially to get short journeys by car made in a different way. That helps the overall health of the population. We do not often weigh that up in a transport assessment. That is something else that could possibly change.

Chair: We are now going to move on to how we can encourage more bus usage in England.

Q61 **Simon Jupp:** Good morning to the panel. Across most of the country, one of the viable alternatives to the car is the humble bus, but of course it faces its own challenges. What priorities need to be included in the Government's forthcoming national bus strategy to reflect the challenges that this pandemic has brought?

Councillor Renard: I will answer very quickly because I made these points earlier. The first thing is to change the bus service operators grant and devolve it. Instead of subsidising diesel on buses, it should be devolved to local authorities to use as subsidies to reshape routes and increase frequencies. We need a fully funded concessionary bus grant as well. If Government really want to push that agenda, they should provide local authorities with the powers to shape their local transport needs and the funding to put them into place.

Q62 **Simon Jupp:** Are you hinting at franchising, David?

Councillor Renard: No. The LGA does not have a particular position on franchising or nationalisation. It is about giving local authorities the opportunity to look at their own local areas and provide services, usually bus services, to meet the needs of their communities. From what we have seen over the last few years, where bus subsidies have been cut by local authorities, services with very high subsidies were usually the first ones to go per seat on a bus. If there is more subsidy available, some of those services could be reintroduced.

Q63 **Simon Jupp:** The same question to you, Laura.

Laura Shoaf: I agree 100% with everything that has just been said. The pandemic has definitely exposed where we have complex and potentially inefficient local government funding structures around bus. This is a real opportunity to put that right. I would come back on the point about the subsidy and how we make sure that we are not incentivising our bus companies to put the most profitable services forward first, to the detriment of some of the marginal routes that in many cases are the most essential for providing access to employment, skills and healthcare for our most vulnerable communities.

I know that you spoke about this in the first session. We must develop an integrated network. Bus has to be integrated into the rest of the network. Sometimes the commercial nature of the deregulated environment outside London means that we have different modes that operate in competition instead of complementing each other. This is a real opportunity to change that, through the bus work and working with transport authorities, to make sure that we develop an integrated network. Bus has a very real role to play across the whole country. I point again to the fact that bus is a fundamental bit of social infrastructure as well as physical infrastructure. We need to make sure that we get it right going forward.

Q64 **Simon Jupp:** I touched on this with David briefly. Laura, you are part of the West Midlands Combined Authority, which has franchising powers. How much do you anticipate that being part of the national bus strategy, and why haven't you used the powers in the west midlands?

Laura Shoaf: We have an interesting bus market in the west midlands. It is a deregulated market with one dominant bus operator; National Express in the West Midlands operates, depending on how you figure it out, somewhere around 90% of our services. We almost have a deregulated monopoly. The powers that have come to us are important. We are looking in detail at enhanced partnerships. That is another of the powers that sits alongside franchising. I cannot tell you how important it is to have those powers available to each area. There is a package of powers, and it allows each area to consider how it wants to use those powers to help the network.

We have a very good bus network. You heard from Linda McCord, who chairs our bus alliance, which is doing some really interesting work. The powers are key. Which ones each area wants to put in place are for devolved areas to consider, but they have been incredibly welcome to us.

Q65 **Simon Jupp:** Indeed; it is about which stick you can wave at operators as well, when they do not do what you want them to do. The same question about the national bus strategy to Chris.

Chris Hinchliff: It is another important question. There are three main points that CPRE will be looking for in the national bus strategy. The first, as already mentioned, is recognition that commercial services will never deliver the scale of network that we want to see in rural areas, and which

we need to see for the modal shift necessary for decarbonisation, among other things.

The second is that public transport and bus services deliver a huge amount of public goods. They deliver access to educational opportunities and employment, as well as tackling loneliness and isolation. In light of the public goods that bus services provide, we want to see a clear, long-term, ring-fenced commitment to public funding for a proper bus network.

Thirdly, we will be looking for recognition that, if there is to be significant public investment in the bus network, the Government, in consultation with local authorities, have the right and probably the role to put in place minimum service requirements that ensure that there is a comprehensive network delivering reliable, affordable and convenient services for every community across the country.

Q66 **Simon Jupp:** My final question in this section is to David regarding public subsidy. If that is withdrawn and bus companies decide to cut routes, there are requirements for operators to work with local authorities. Are those requirements strong enough, and should they be strengthened to protect routes from closure?

Councillor Renard: Good question. I do not think they are strong enough, and they need strengthening. At the moment, councils have very few levers to compel local operators or the Government to work with them on planning the recovery of bus networks. They are very reliant on the relationships that they have built up in their local areas, which we know can vary quite considerably.

We think the strategy needs to examine the totality of public money spent on public transport, rather than looking at each pot independently, and devolve powers to local authorities to have a much greater say over the local networks and what services are provided.

Simon Jupp: Thank you.

Q67 **Chair:** I have one very brief question of each of you on this section. Have you sat down and had detailed discussions with the Department for Transport on behalf of your organisations to feed into the bus strategy and what it should have in it? I mean detailed conversations and not just handing in a consultation.

Laura Shoaf: Yes, we have, both via Urban Transport Group and as a transport authority.

Chris Hinchliff: Yes, we have, although my understanding is that the national bus strategy is seen as a high-level document that is a starting place. We have not had the opportunity to drill down into specific policies yet.

Councillor Renard: Yes, absolutely. My officers have very regular meetings with the relevant officials in Government. They are sitting in, watching this broadcast today, and will be taking notes and taking up any issues with the relevant people to get the local government message across.

Chair: Brilliant. It is great that you have had detailed consultation. That is very positive. Our final section is fares and the cost of public transport.

Q68 **Gavin Newlands:** This very much flows from the section about trying to increase passenger numbers. I don't know if you were watching the first section when I spoke about the vast discrepancy in the level of subsidy vis-à-vis London and the rest of England in particular. It was not just the level of subsidy, but the quality and quantity of service delivery in London versus the rest of the country.

David, the LGA suggested in their written evidence that the Government should "consider the price of mobility holistically and examine all the pricing and taxation regimes for all modes of transport." What measures could the Government take to make public transport more affordable? Is it as simple as levelling up and increasing the subsidy to the rest of England, so that it is the same per head as in London? Is that too simplistic?

Councillor Renard: It is a very difficult question to answer. I referred previously to the LGA positions on subsidies around concessionary fares and BSOG, so I will not repeat those.

The issue for local government is that they do not currently have the resources or the powers to be able to make the changes we would like to see in our local services, and support the services that we would want to support. In my own authority, most services are not subsidised and, pre-pandemic at least, were run on a commercial basis. We will have to see whether that continues.

Of course, if it does not continue and the current support for bus operators falls away after the pandemic, a lot of operators will take the view that they are no longer commercial, and the services will not run. It needs to be bottom-up; each local authority needs to make its own relevant case as to what support it needs for its own particular area.

Q69 **Gavin Newlands:** Laura, on the same question, can I add this into the mix for you? In your submission, Transport for West Midlands said that public transport costs were one of the greatest barriers faced by young people in accessing education and training. In the last session, I said that the Scottish Government are consulting at the moment on under-19 free travel and on the concessionary travel issue. As well as answering what I have already asked David, how would you make changes in both of those areas?

Laura Shoaf: Affordability is incredibly important. London having a regulated market versus the rest of us having a deregulated market

makes it apples and pears, and difficult to compare. If you look at the policy documents coming from up and down the country, investing in young people is at the forefront of everything that we are trying to do, especially given this pandemic and some of the challenges that will inevitably come towards younger people. Making public transport affordable for them is hugely important.

We can negotiate with our operators. We have half-price fares, but nationally concessionary travel subsidises an older population and does not focus on the younger population. How we want to do that is something that probably needs to be looked at in the round. When younger people use public transport early in life, whether to get to school or not, they often become public transport users for life. You can influence the forward generation by making travel accessible to them.

People's needs are very basic. I know you touched on this a little bit at the beginning. If you want to get on a bus, you want to know that it is going to arrive when you need it to arrive, at the time you need it to arrive, and that you can afford it and that it will be clean and safe. Pricing is definitely part of getting it right for passengers.

We work with universities and others to try to find different ways to help keep it affordable for young people, but it is hugely important. You can genuinely price people out of a market. It is a self-fulfilling prophecy that has already been discussed. People will stop using the bus if the price is too high; then it becomes non-commercial; then the operator pulls the route and turns to the local authority to say, "If it's that important, subsidise it." The local authority cannot afford to subsidise the route and the service disappears. The worse the service gets, the less people use it. It is part of trying to break that self-fulfilling prophecy that takes people away from public transport.

Q70 **Gavin Newlands:** Lastly, Chris, I suspect that often-times in the countryside it is not so much the price, although clearly it is an issue, but the frequency of service, if there is even a service at all. Do you have anything to feed back on the price and what you can do, particularly in relation to the countryside?

Chris Hinchliff: That is quite a lot of ground to cover. I echo what Laura just said about the vicious cycle and the importance of breaking it. That is certainly something that affects rural communities very heavily.

In terms of pricing, in relation to the concessionary fares discussion, the evidence I am aware of is that when you are delivering concessionary fares you are not just giving someone a free journey; you are giving them free access to healthcare, social services and education. The evidence that I am aware of is that the concessionary fare more than pays for itself. We have discussed subsidies and trying to bring down the public cost of transport. That just pushes up costs elsewhere. In many ways, concessionary fares are good value for money, and it is worth

considering whether we want to capture that value for money with other demographics.

More widely, we have a real opportunity at the moment, because the public transport network has essentially become one in which farebox income is totally marginal. There is a real opportunity for the Government to reimagine how public transport works and take quite a bold approach on what the farebox income needs to be, and where different levels of revenue will come from in order to fund it going forward.

Gavin Newlands: Thank you. This is an issue we could spend at least another 20 minutes on, but I am conscious that it is 10 to 12.

Chair: We have another six parts to our inquiry on reforming public transport after the pandemic. We will be looking at how the pandemic impacts Government strategies and financing on road, rail, bus, air pollution, devolution, the future of mobility and much more.

We very much hope, Laura, Chris and David, that you will continue to remain engaged with us as we go through the inquiry. Thank you very much for giving us the perspective from local government, transport authorities and rural communities. It is much appreciated. All the Members wish you and your teams very well.