



Covid-19 Committee

Uncorrected oral evidence: The long-term impact of the pandemic on towns and cities

Tuesday 6 July 2021

9.45 am

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Members present: Baroness Lane-Fox of Soho (The Chair); Lord Alderdice; Lord Elder; Baroness Fraser of Craigmaddie; Lord Hain; Lord Harris of Haringey; Baroness Jay of Paddington; Lord Kamall; Baroness Morgan of Cotes; Lord Pickles; Baroness Young of Hornsey.

Evidence Session No 3

Virtual Proceeding

Questions 38 - 49

Witnesses

I: Rt Hon Norman Baker, Adviser to the CEO, Campaign for Better Transport; Professor Nick Tyler, Director, UCL Centre for Transport Studies; Ian Wright, Head of Innovation and Partnerships, Transport Focus; David Cowan, Director of Commercial Operations, Translink; John Birtwistle, Head of Policy, First Bus.

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Examination of witnesses

Norman Baker, Professor Nick Tyler, Ian Wright, David Cowan and John Birtwistle.

Q38 The Chair: Good morning and welcome to the House of Lords Select Committee looking at the long-term implications of Covid-19. Welcome to our witnesses. Thank you for joining us this morning.

As I said, our committee is focused on the long-term implications of Covid. We have been trying to unpick what the implications will be for towns and cities. It has been hard, to be candid, so we really would appreciate your help. Do not focus too much on where we are now; think about where we will be in two to five years' time. This really is a moment to let your imaginations run with of all the expertise that you bring to it. Help us to understand how you see innovation, vision, and some of the directions that have perhaps changed course because of what we have all been through in the last 18 months. Just to reiterate, we really are interested in that two to five-year horizon rather than trying to do an inquiry about where we are at right now.

We have talked to two other groups so far in this towns and cities mini-inquiry. We have two more to go. We really appreciate your time today thinking about transport and the impact on how we build more sustainable, more financially viable, more economically thriving towns and cities.

I will start by asking everyone to introduce themselves quickly and where they come from. We have seen your submissions, so there is no need to do a long thing. Just give us a quick hello so that we can put names to faces.

Norman Baker: Good morning, Chair. I am here in my capacity as adviser to the Campaign for Better Transport.

Professor Nick Tyler: Good morning, everybody. Good morning, Chair. I am the director of the Centre for Transport Studies at University College London.

David Cowan: I am the director of commercial operations for Translink, which is the Northern Ireland public transport provider for bus and rail.

John Birtwistle: Good morning, everybody. I am head of policy at First Bus.

Ian Wright: Good morning, everyone. I am head of innovation and partnerships at Transport Focus.

Q39 The Chair: Thank you all for joining us. I will start the questions with quite a wide-ranging question with some subsections. I really would value your expertise in thinking about the two to five-year horizon rather than where we are right now. What has the pandemic done to change the financial viability of public transport, passenger numbers and the

potential for environmental sustainability? I am sure you all have views on this.

Norman Baker: Thank you. Passenger numbers at the present time are about half of what they were pre-pandemic, whereas car travel has recovered to 100% or more of where it was, and van coverage in our streets is 125% in some areas. We are seeing a car-led recovery, which of course is contrary to what we want to see at the Campaign for Better Transport. In fact, it is contrary to the Government's own stated intentions and what Grant Shapps said in the government strategy for bus and rail, as was revealed in their recent papers.

If we are to get people back on public transport, there is a need to make sure that people feel safe first. At the same time, we need to recognise that, just in terms of the practicalities of operating public transport, it is not possible to operate buses and trains if the present social distancing rules remain. We somehow have to move to a position, hopefully post-pandemic, where people feel that it is safe to use public transport and that vehicles are available.

Looking at your two-to-five-year period, Chair, the government strategy is well set out in the Government's white paper on rail and national bus strategy. Key to this is making public transport more attractive to use. The theoretical possibilities of improvement which the Government have set out—for example, the increase in contactless payments; better intermodal operation between bus, rail, and indeed light rail; and the idea that people have confidence that when they buy a ticket they are getting the best value possible—are entirely welcome.

Elements of that exist now, but they do not exist entirely. Look at Transport for London. You can move from one bus to another without being charged any more, but if you move from a bus to a tube you have to pay again. We have to get to a situation where we compete as public transport operators, if you like, with the car. The car has an operation that goes from A to B, and you pay whatever you pay for that journey. It seems to me quite wrong that, if you have to change on a public transport journey, which is inconvenient in itself, you are then charged again for making that change. You are effectively penalised.

Moving towards pay-as-you-go, the London model, which could be rolled out quite easily across our urban centres, would guarantee people ease of purchase of transport tickets as well as a ceiling to what you pay for a particular day's travel. London is ahead of the game, but it is not quite right. If we will move towards the London model, that will in fact increase the use of public transport across our towns and cities.

On the finance side of things, towns and cities are more dependent on the farebox in this country than elsewhere. For example, 72% of TfL's income comes from the farebox. That is much higher than in Berlin, Paris, Madrid or other European capitals, where the figure is normally about 30% to 35%. Those particular capitals are not inefficient; they have simply taken a view that subsidising public transport has a wider social

and economic benefit to their society and that it is worth doing that. Indeed, one of the areas that I suggest with respect the committee might like or find interesting is the fact that some places in the world are rolling out free public transport, including in the United States. Kansas City, for example, has now made all buses free. That is a very dramatic and radical policy, but they clearly believe that the societal benefits are worth pursuing.

At the moment, unless we see a return to numbers on public transport over a two-or-three-year period, we will unfortunately probably see the Treasury losing patience, services being cut, subsidies being cut, and the reversal of what we have seen over the last 20 years as we have moved towards public transport. Looking at new models of finance and perhaps accepting that subsidies have to increase for a wider societal benefit is a question that your committee may want to look at.

Lastly, on the environmental side of matters, we are seeing potential improvements in all modes of transport. The Government have committed quite sensibly to cutting out diesel and petrol private vehicles by 2030, or by 2035 with hybrid. They have a policy of producing more zero-emission buses, although frankly the numbers do not stack up in terms of the investment yet. Perhaps we will get there in due course. They have a policy of phasing out diesel trains by 2040. At the moment, 38% of the rail network is electrified. In order to make the rail network zero-emission, we will have to use battery trains, and perhaps even hydrogen trains, for some lines.

I am quite confident that the direction of travel on making transport zero-emission is there. It probably requires more investment, but the direction of travel is there. The key question will be getting public transport confidence back and making sure that we do not end up with people reverting to cars over the medium to longer term. Secondly, we must make sure that there is a serious discussion to be had about the level of public subsidy that goes into public transport as to whether or not more subsidy is a good thing, rather than the belief of successive Labour, Conservative and Coalition governments that we should move towards public transport paying for itself. That is the fundamental question that needs to be asked at this point.

The Chair: Thank you. That is very clear scene setting.

Professor Nick Tyler: First, if I look at the two-to-five-year horizon, passenger numbers are not all doom and gloom. The numbers are clearly now very heavily reduced, which is indeed due to the messaging that public transport is not a safe place to be in the Covid situation. Once we move out of the pandemic, there will be a great opportunity for public transport in terms of numbers.

Until Covid, public transport was heavily predicated more or less on supplying peak demand: how we get people to work at nine o'clock in the morning and take them home again at five o'clock in the afternoon, with some degree of spreading around that. Spreading that peak has proved

very elusive. The importance of that is that the peak is seen as where the money comes, because there are more people travelling and paying more fares, but it is also where the costs are applied, and we have to supply that massive capacity to carry large numbers of people in a very short time.

The opportunity that is emerging from Covid starts from outside the transport sector as to where people are choosing to work. Before, we thought that people might be able to choose between home and work, but now it is very evident that people may wish to work in places other than home or their official workplace. That gives an opportunity for public transport to start to rethink its networks around the city.

The inner and central parts of London, for example, are extremely well served by public transport, but the outer parts of London are much less well served. Maybe there is an opportunity to provide workplace destinations like internet-enabled workplaces where one can carry out work online. Rather than travelling into the centre to work, for example, we can work on that basis. That starts to suggest that we can shift the demand for public transport away from this peak towards a more even distribution around the city, both in space and time. We need to link the passenger number question to how we envisage future work practice in particular.

The Chair: Thank you. I will stop you there, because Lord Harris has a question that is probably relevant to what you have just commented on.

Q40 Lord Harris of Haringey: That is very interesting. There is a huge amount of sunk cost in enabling transport systems to deliver that peak. You are suggesting that this may be an opportunity to remodel it so that there is a completely different pattern of transport usage. What are the implications for the sunk costs, given a figure I saw yesterday of TfL losing £100 million? The focus is not London. The implication is that there are huge sunk costs, so that must imply huge levels of public subsidy to enable the transport system to adjust. Can you give any indication of the context or scale of that?

Professor Nick Tyler: Thank you very much, Lord Harris. If I could stick with London just for a moment, I would say that a lot of those sunk costs are in rail lines. You do not move rail lines, basically, so they will stay where they are, but with buses we have the ability to be very much more flexible if we rethink the bus network. Therefore, it is possible to move bus routes around with many fewer sunk cost issues than you would have if you were looking at rail. That is possible.

In other cities where you do not have such a dense rail network, it is a question. In the end, people will work in the centre. They will need to gather in the centre. This is not to say that that will not happen. There will need to be a supply for that. We do not need to worry too much about losing too much of the sunk costs by rethinking the network, because a lot of those will be quite divertible. That is certainly worth thinking about. Obviously, there would need to be a costing exercise to

assure ourselves of that. I absolutely take your point that we have to think about the sunk costs.

We did a very simple exercise. If you were to even out the peak and spread the peak demand over the whole of a slightly longer working day, you could operate with the existing bus fleet and service with the same number of passengers without having to fill them all up. That becomes an issue, because post-pandemic we have serious issues with ventilation and heating on buses. We have been working on how we can improve things like heating and ventilation on buses in order to get the air quality in buses at a level that we would regard as safe.

That will pertain into the future and might make a difference, such as a reduction in the number of standing passengers on buses and trains in order to maintain an air circulation that is satisfactory. To do that economically is clearly part of the question, but spreading that peak both in space and time enables you to do that. That needs modelling. It needs to be worked through in more detail, but it is feasible.

That leads to the financial viability question. I wonder about the word "subsidy". It always sends a bit of a shiver up my spine. I prefer to think of it as a revenue investment rather than a subsidy. This is an investment in the public transport system in order to ensure that we have societal gains in environmental improvement and sociality in the city and our urban areas in order that we have a better society. That inevitably means that we need to make public transport of a quality that means that people choose to use it rather than feeling that they are forced to use it. We need to be able to make it sufficiently frequent and with a sufficiently dense network that we can make that work.

I see that very much as an investment, not a subsidy. The difference is that we tend to think of investments as capital investment, and we should be thinking about revenue investment. What we pay in is what we get out in terms of a societal improvement and a better quality of life, health and well-being for the population.

Financial viability is a good question. If we can transfer journeys to a more distributed form in the way I suggested, you will still be collecting your fares. You may end up with lower costs because you are not having to support that massive peak. You may well find that the financial viability could improve if we get it right. We should certainly consider that a possibility that we work towards with the bus operators, transport planners and so on.

Environmental sustainability of the network in the future inevitably means getting away from fossil fuels. Electric buses are here. As was said earlier, they are still expensive. That price will eventually begin to come down. They are expensive, but they are not producing the kind of in-city emissions and problems associated with the chemical and noise emissions from diesel that we get. Therefore, we are moving ourselves towards a quieter, safer, less polluting environment by enabling that to happen.

The Chair: Sorry to interrupt you, Nick. Can I just push you a little and ask you specifically whether you see any impact from the pandemic on environmental sustainability as opposed to the natural trajectory that we were on?

Professor Nick Tyler: Yes. The impact of the pandemic is in the air quality in buses. We are seeing this in bodies like Transport for London, but it is by no means unique to Transport for London. We are working on this across Europe with lots of people. The pandemic has driven the need for buses in particular, but also rail, to have an air quality that is sufficient for people to feel safe. These are the kinds of air quality levels that you would see under building regulations in a building, for example, taking into account the fact that people are generally on buses for shorter times than they are in buildings. Essentially, that changes the nature of heating and ventilation systems. We have been working with Transport for London on how we can achieve that economically and effectively. A big mark of the pandemic is to change that.

David Cowan: In Northern Ireland, we have got back to about 50% to 60% of our pre-Covid numbers. We can see a route, probably quite easily, back to around 80% if the social distancing issue is removed. The big question for us is what will happen with the commute. Our old model was based on high utilisation at the peak. That then cross-subsidised a lot of the other services that we run. The big question is how many people will come back on that morning commute.

I totally accept the point that we have to look at alternative services. A lot of our network is based on radial routes in and out of Belfast. That is where the big employment opportunities were. We have to think about more orbital routes, different types of connections and what the attractors are. A lot of the high streets are damaged at the moment and there is no big attractor there. We have the issue of the transitional period in the next couple of years.

Environmentally, there is also a bit of an emotional change. We have continued to survey our passengers and our focus groups. About 69% of users and non-users in Northern Ireland felt that public transport had a big role to play in environmental improvement and sustainability. About 55% of people came back and said that they wanted to use public transport as part of their contribution to environmental improvement. Getting to that transitional period, I see that gap in the farebox that could put pressure on the network. I accept the point that we have to move to a less peaked service, but how do you get there? How do you support that over the next period?

The whole argument within Northern Ireland is probably about how we continue the cross-subsidy model and take ourselves through the next couple of years to get to the different type of network that we will need. We are investing heavily at the moment in a London-based, account-based ticketing system. We will aim for good daily and weekly caps to try to get that greater use of off-peak and services throughout the day across bus and rail. That is a key part of the message for people coming

in. Getting people to trial is the most expensive thing that we can do. Getting people on to the bus is where we will have to invest in the next period of time to make that transition. Thank you.

The Chair: Thank you. Just to reiterate, keep the answer specific to the long-term implications which the pandemic will have had on the transport questions we are discussing. Thank you.

John Birtwistle: Thank you. This is an outside London picture, and this is bus-only. We are seeing passenger numbers return. Similar to what David has just said, we can see an easy route to 80% to 85%, and maybe as high as 90%, returning, but getting beyond that is looking very difficult. This is due not just to the change in the way that people are working, but to changes in shopping and leisure habits.

The bus industry will have to react to that by being more innovative in the types of service that it provides, but also in working very closely with both national and local government to deliver the service that people want and need. It will have to encourage modal shift, get people out of their cars, and get people back into sustainable public transport that can help to facilitate economic growth and is socially equitable so that it allows everybody to travel. Whether or not they can afford to run a car, are physically able to drive a car or morally want to drive a car, they can use public transport. We need to rebuild to facilitate that.

Looking at the passenger numbers, it is interesting to listen to the comments about the difference between peak and off-peak. During Covid, we found as an operator outside London that the peak was in the middle of the day and the traditional peaks were not being seen in the mornings and afternoons. As passenger numbers have come back, that has begun to flatten out a bit. We are beginning to see a slight change back to what we would normally expect, but not by any means to the extent that we previously saw. That potentially helps with the economics, because the big costs of operating come in those peak periods. There is an opportunity to look anew at the network and to think again, in conjunction with local authority partners working on the bus service improvement plans, about how we can begin to provide better services in different areas at different times of day whilst maintaining that core essential network that people rely on.

The ventilation issue is an interesting one. We designed a little tool during the pandemic that keeps all the windows open on the bus. People do not even really notice that it is cold or draughty, but they appreciate that they have fresher air on the vehicles. These things can be done in the short term at extremely low cost, albeit, I agree, that in the longer term we may be into more sophisticated solutions.

The thing that is helping bring people back to buses, we are finding, is the presence of the driver. The control that the driver exercises over people boarding the vehicle and whilst they are on board is encouraging people to come back to bus services more quickly than to rail services. This is all to do with confidence. Confidence is all. We have to move on

from the unfortunate announcements that were made about public transport at the beginning of the pandemic and turn that on its head to have some positive messaging for public transport across government at both national and local levels across industry—I do not mean the transport industry, but industry in general—that will encourage these changes in behaviour.

Talking about the financial viability of the industry, we are very grateful for the support that we have had from the national Governments that, to be perfectly frank, no bus operator would have survived without. We would not have had buses in Britain if we had not had government support over the last almost 18 months. This needs to continue into the future, because we are not expecting passenger numbers to recover to 100% of pre-pandemic levels at any point in the near future. We were asked to look at a timescale five years ahead. It really will be touch and go as to whether we get back to those levels. We really need some help, but that help is not just financial.

Environmental improvements can be made to transport fleets, particularly to bus fleets where there is already technology that will enable most services to be electrified, but not all. Rural services and those that operate longer duty cycles will need to rely on things like hydrogen fuel cell technology, but these come at a great cost. Again, we are seeing programmes to assist with that investment in decarbonisation from national Governments.

The big problem, certainly over the next five years or so, is expected reduced passenger numbers. That means reduced income for operators, even with governmental support. That makes the business case for investing in new vehicles of any sort that much harder, whether they are diesel, electric or hydrogen fuel cell. We need help to operate more efficiently. That means more bus priority, more bus lanes, more bus gates, and more towns and cities looking to redress the balance between private vehicle use and road space allocation and bus use and road space allocation. This is all in line with the national bus strategy, which has set out some very clear objectives for this, but we need to see that delivered. Once we as bus operators are able to operate more efficiently, we can provide the same level of service with reduced numbers of vehicles and reduced driver costs, but also provide services that are quicker and more attractive to the public, and more reliable in the journey times that they offer. That will help to encourage people back to bus. That helps us with income and operational efficiency. That helps the business case for investment.

With that assistance in decarbonisation, we can realise our goals of decarbonising our fleets. At First, we intend to be completely carbon-neutral with our fleet by 2035. We will not buy a new diesel bus after 2022. That is a lot harder now than it was when we announced that about six months before the pandemic hit us. The future is positive, but we all need to pull together and help each other to achieve the objectives of getting bus back to not 100% of pre-pandemic levels, but much

higher, and getting all the benefits for the economy, society, and the environment that public transport can deliver in our towns and cities across the UK.

- Q41 **Lord Pickles:** Earlier in John's oral evidence, he talked about the need for companies to offer something different to the public and to be more adaptable. It would be really helpful if you could just give us two or three examples of what you meant by that.

John Birtwistle: Yes, by all means. There has been mention of pay-as-you-go and capped ticketing. The bus industry is working on a project to deliver the ability for whole towns and cities to offer capped daily or weekly tickets, or flexible tickets in other shorter time periods. These would be valid across all bus services and provided by all operators. There would be other modes, which could include light rail and heavy rail but could even extend to the provision in due course of first and last mile personal mobility. The industry has already adopted, almost universally, contactless payment, which has been very much driven by the pandemic in the speed of its rollout. It was already in long-term plans, but that was brought in very quickly. Information is available on things like space within buses and availability of the wheelchair space.

The thing that we will have to be more flexible on in the future is how we deliver the services. The networks of services will inevitably change due to changes in demand, both spatially and temporally. We expect to see, as the leisure economy is stimulated over the next few years, increased demand for transport in the evenings and at weekends. We need to be adaptable to that and ready to change.

We need to think about extending the range of bus networks. This could be done through complementary, flexibly routed services, again possibly in the evenings or on Sundays. This all needs to be done, because one of the single greatest arguments we hear from people as to why they do not use the bus is that it does not go near where they need to go. It does not pick them up from near their homes or take them to their destinations. We all need to be alive to that issue and work on solutions to it.

The framework of the national bus strategy and the bus service improvement plans, and the work that we as operators need to do with local authority colleagues to deliver enhanced partnerships, gives us a great opportunity. The funding that will be available to support that from next April, which the local authorities will effectively bid for this October through their bus service improvement partnerships, certainly allows those who are more forward-looking and imaginative to work with us as operators to develop public transport networks for the future. It is an opportunity that is unique in living memory to be able to stimulate growth in the bus market and new ideas on a sustainable basis. We cannot have a series of overnight wonders that fade after six or 12 months if the funding is insufficient. A lot of them will perhaps deserve to fade, but a lot of them will certainly have to be developed and nurtured. Good ideas will have to be brought to fruition.

Ian Wright: Inevitably, coming last, I will echo some of the things that have already been said, but I will try to add something new. I have sympathy for the committee in trying to predict the future. It is difficult enough at the best of times, but we are in very strange times. I am also reminded of the fact that we tend to overestimate the amount of change that we will see in a two-year period, but we tend to underestimate longer periods.

We have basically seen a massive exercise in public transport and behaviour change. It is normally very difficult, but strong government messaging and restrictions have achieved that. Perceptions among passengers have become critical. There is a massive gulf in perceptions of safety between those who have travelled and those who have not travelled for a long time, although that is now closing. Concerns generally reflected government messaging, which I guess is a good thing in terms of social distancing, mask wearing, et cetera, but there is now a need to reverse that. We need ways of incentivising a return.

Part of that, as others have said, is about reassurance and helping people regain the confidence to travel. Some of that is just about trying it again, to be honest. Another incentive is just having a reason to travel. Just picking one stat from our weekly tracker literally from last weekend, a third say that they will never feel comfortable on public transport again. This rises to 43% of those people with a disability. I am not saying that that will not change over time, but it does show the scale of what is ahead of us.

In terms of the future, transport is a derived demand. If what is driving that demand changes, so will transport. One of the areas where there is some degree of certainty, which has been commented on, is the working-from-home revolution. Therefore, there is less commuting, very much for those who can. There is a divide between blue-collar and white-collar types of work. Obviously, some jobs require you to be at your place of work in order to do them, but for others there has clearly been a massive time saving. People have saved money as well, and some who were paying for rail season tickets have had quite a big pay rise, to be honest.

Charlie Munger said, "Show me the incentive and I will show you the outcome". There are quite big incentives from a passenger point of view to change their activities in this sense. Aside from what I have just mentioned, there are things like work-life balance, caring duties, et cetera. As we know, many employers are also on board with this. Partly they see it as an employee benefit, but there are clearly opportunities to save on office space, et cetera. We know that that is not across the board and that there are some notable exceptions, but the evidence that we and many others have is that there will be a change to commuting.

Just to cite some of that evidence that we had, we spoke at the end of last year to rail passengers who were able to work from home. Some 43% of them were going into the office five days a week pre-pandemic, but only 12% thought they would be doing that post-pandemic. Similarly, 24% were going in four days a week previously. That will drop to 9%. At

the other end of the spectrum, only 9% were going into the office just one a day a week before the pandemic. That rises to 24% post-pandemic. Ten per cent were going into the office two days a week prior the pandemic. That will move up to 31%. You can see a big shift. As many others have seen, there is a shift towards working once, twice, or maybe three times a week in the office.

As Nick and others have said, there are potential upsides to this. If we can spread the peak, we will not have to service that massive capacity for the morning peak. We will also not be moving air around in the middle of the afternoon. That is clearly not a very financially viable thing to do. However, we do not necessarily want to lose those commuters entirely. When you no longer have the sunk cost of a season ticket, you will notice the cost of every one of those journeys.

Commuters used to be a captive market; a lot of them now are more discretionary. Therefore, you need to be able to incentivise them maybe to go into the office two days a week rather than one day, or three days a week rather than two days. That will be generative; it will not be extractive. It will help to rebuild the finances of the railway. Therefore, we very much welcome the introduction of flexi-season tickets.

To be honest, it is not a new thing, but it is like many things that the pandemic has done; it has accelerated an existing trend, both in working patterns and the response to it. Obviously, as you know, at the moment a bundle of tickets can be used over a specified period. We have been calling for this for some time. It is good to reward frequent travellers who do not necessarily commute five days a week.

What we have is good. It is a good start. We would like to see it improved. As others have said, we look forward to seeing a revolution in the way that it is charged for, particularly in rail.

The Chair: Sorry. Can I just task you to be brief in the rest of your remarks? I am just conscious that we are still on question one.

Ian Wright: Yes. I will very briefly address the other two points. One was about financial viability, which I touched on. The other big point to make is that, if people do not come back to public transport in sufficient numbers, we run the risk of a downward spiral. The public transport network, be it bus, train, tram, et cetera, could shrink. Therefore, it becomes less attractive, and potentially less affordable. The prices go up because there is not so much fare income. We really need to try to avoid that. If we have a car-led recovery, things like bus services, as John alluded to, may become less attractive because they will be caught in congestion. We have to be really careful about avoiding that downward spiral.

In terms of environment, the easy stuff is always the upstream stuff, although it might not seem easy to those who are doing it. When decarbonising rail, cars, and buses, behaviour change is the difficult bit.

The Chair: Has anything been impacted specifically because of the pandemic as opposed to just the general trends? Do you see a change because of the pandemic?

Ian Wright: It will be because people's behaviours have been changed and they have switched away from using public transport. They may be cautious about coming back. Otherwise, the traditional things apply. People choose their mode, broadly speaking, on the basis of cost and convenience. If the cost of public transport goes up and it becomes less attractive, people will drive or do something else instead. If it becomes less convenient, ie the network shrinks and the frequency is lower, it becomes less attractive, and people potentially choose less environmentally sustainable modes of transport.

The Chair: Thank you. I will pass over to Lord Pickles now specifically to start drilling down into our inquiry focus on the towns and cities. That is more scene setting. I will just ask people to keep answers brief from here on in, otherwise we will struggle to get to all the questions we would like to ask you.

Q42 **Lord Pickles:** I am very grateful for the evidence given, so this is not meant to be in any way disrespectful. It occurred to me that what was being said could well have been said if we had not had the pandemic. The trends that we have seen with regard to people working from home and online retailing were happening; they may have been accelerated by the pandemic. Is there any effect from the pandemic other than that it has exacerbated existing trends? In particular, is there any effect of the pandemic on the long-term impact of public transport within different towns, between towns and cities, and between different types of towns?

Norman Baker: Eric—sorry, Lord Pickles, I should say.

Lord Pickles: I cannot imagine that I am ever Lord Pickles to you. Eric is just fine.

Norman Baker: You are absolutely right. The predominant result has been to accelerate activities that were already changing. I remember back in the Olympics in 2012 that there was a quite successful move to try to dissuade people from using transport at all over that period of the Olympics. Clearly, the impact on the high street has been significant, and that in turn has affected public transport.

What has changed that would not have changed before? There is a lack of confidence in the safety of public transport. It is misguided and ill-informed to some extent. The Office for National Statistics, which is a very respected body, published an infection survey earlier this year that demonstrated that travelling to work by bus and train was no more of a risk in health terms than travelling to work by car. It may sound a bit surprising, but that was what it concluded.

Nevertheless, the consequence, to answer your question, is that a lot of people now feel less safe on public transport. That may change longer-term habits in how they want to move around. If they move around by

car, which is what they are doing at the moment, it will lead to more congestion and worse air quality. It will have health impacts for society. It will also disadvantage those who do not have a car. Some 24% of people do not have a car, and 40% of those on low income do not have access to a car. Potentially, you are worsening societal outcomes by moving towards more car travel and less public transport travel.

The other thing that it might do in terms of accelerating activities that are already there is that it might make public transport operators, both rail and bus, think more about serving the passenger rather than them being a captive audience who have to use this. We have seen in recent years in rail, for example, a move towards these ghastly ironing board seats on the Gatwick Express service. We have seen the reduction of buffet cars and the removal of people wandering up and down selling tea and coffee. Train operators in particular have to go back to attracting people back, because the journey itself has to be attractive and not simply a means for getting from A to B. They have to look after the passenger. That has already come out of the rail white paper, as a matter of fact. That is a good thing; it will accelerate that move.

People want to use bikes on trains, particularly if they are in areas where there is a tourism aspect: for example, the line between Newcastle and Carlisle, or the line out to Tim Farron's constituency in Westmorland. They want to use bikes on those trains. They do not want to be told that they have to book in advance, that there are only a few bike spaces, and that if they do not have one they have to wait two hours for the next train. There has to be more passenger focus. That will come out of this, which is a good thing. Essentially, you are right in saying that it has basically accelerated trends that were already there.

One of the other trends that has accelerated is the move towards cycling and walking, which is an entirely laudable outcome of what has happened. The DfT figures show a big increase, which has been sustained to some degree, in increased cycling and walking. We have also had an increase in the use of e-scooters, even though they are illegal in most places at the moment. Those are good outcomes, but they have an impact on public transport use and financial viability.

John Birtwistle: I would like to make two points. First of all, we are beginning to see another trend that will have an impact on public transport. There seems to be a degree of urban flight. This desire to live in the country will clearly have impacts on demand for bus and rail services if people are moving out of towns and cities.

In recent years, the level of public transport services in many of the rural parts of the UK has decreased because of the costs of providing the service and increased car ownership and use, and because local authorities' budgets available for support of public transport services have been cut. Again, the national bus strategy will hopefully address a lot of those issues. It could tie in quite well with a move of people away from urban areas into more rural areas and suburbs where these services could become more viable, as long as they were designed to meet

people's needs. Equally, it could coincide with the flattening of the peaks in the urban areas as these people are perhaps moving out to work in different manners because they are no longer tied into working in a given office environment any number of days a week, let alone five.

There are changes taking place that public transport operators and local authorities will need to respond to. It provides an opportunity for levelling up in the provision of public transport in some of the rural areas that have suffered over the past 10, 20 and 30 years. The other thing that is a bit of a concern is that areas that traditionally have been heavily dependent on a student population that undertakes an awful lot of travel are perhaps going to see a difference in the future.

Lord Pickles: Are you saying five years from now? Why?

John Birtwistle: Possibly, because it appears that this has also stimulated new ways of learning. Perhaps the dependence on fixed locations for students to study in will decrease within the next five years. It is certainly something that we have seen already and expect to perpetuate for two to three years. Hopefully it will then begin to recover, but it is an area of great uncertainty. We are seeing now that those highly focused university towns and cities are not recovering at the rate that is the general rule.

If I can just very briefly pick up on the issue of walking, cycling and e-scooters, one thing that we need to look out for in the future in trying to make public transport more attractive and encourage use is that we do not push it out of our town and city centres through wholesale pedestrianisation and turning over areas to provision for cycling and scooter facilities. If we push the public transport out of the areas where people need to go, they will not use it. It is taking them away from the destinations that they want to access. We have seen a few occasions in the pandemic when public transport has been pushed to the periphery of town centres. We need to redress that as we come out of the pandemic and give public transport access back to the central areas of towns and cities.

Ian Wright: I was just going to say that it is largely trends that have been accelerated by Covid, but I would not underestimate quite how much working from home, and therefore not commuting, has been accelerated. There was a huge amount of scepticism, particularly amongst employers, as to whether that would work at large scale. That has largely been disproven.

In terms of knock-on effects, again echoing something that John said, there has been this race for space with people moving out to the suburbs or to rural or coastal locations. Those longer commutes, if you are only going in once or twice a week, suddenly become a lot more viable, both financially and logistically in the amount of time you have to put to it. Some of that will impact on major metropolises in terms of servicing the coffee shops, lunch and hospitality, but the smaller cities and towns could

well be the ones that are the beneficiaries of those changing working patterns.

The other almost behind-the-scenes innovation that may have been pushed by Covid, and which I have seen, is a lot more collaboration, between operators as they have had to fight the impacts of this pandemic, and between them and other parts of the industry such as local authorities. If we manage to keep that as we come out of Covid, we will have a much better chance of having a much more joined-up public transport system.

When we speak to non-users of public transport, it is often not about the bus or train journey per se but the door-to-door journey. As Norman mentioned earlier, it is competing with the car on that door-to-door journey. It is just not very convenient, because the system is not designed as one. It is bus over here, train over here, et cetera. If it has pushed to the whole system together a bit more and encouraged collaboration, that can only be a good thing.

Professor Nick Tyler: First, I do not see it so much as acceleration as a full-handbrake turn drag-racing kind of thing. These are trends that were happening before, but this has forced the operators to stop and think in a way they were unable to before because they were too busy operating the services. That, in a sense, has been a very important driver for the future.

Secondly, there is strong discontent with the commute. Why would you pack into a train with four and a half people per square metre every day for life? They have discovered that you do not have to. That has changed people's perception of whether they wish to do that. That is the big opportunity in the future for the peak spreading argument that we have been trying to make for 40 years and never really managed to. This will change the perspective. The coupling of walking and cycling, particularly walking because it is easier, with the public transport system as a combined package and making it all good to the point of the last mile from earlier is a real opportunity to take up from the changes in use in the pandemic.

Thirdly, employers have realised that people working at home actually work at home. Before, they thought that they probably were not. That has made a difference. Home working is not, in the end, the answer, because a lot of people have a lot of problems with working at home, but there is a rather good business opportunity for developing the workspace concept whereby you can hire by the hour, and even maybe pay with your Oyster card, to use the workspace rather than physically travelling. There are some opportunities there arising from the fact that employers are rethinking how working can be done.

The fourth point is a very tiny one, because it has been raised. It is about the university students. Clearly, universities are going through a real point of change about how they are delivering their goods. In the university sector at the moment, what I am seeing is difficult to say

because it is in a state of flux, but I am not seeing a wholesale move to online teaching. I am seeing what we would call blended learning. There will be some face to face and some online. How that is done may well end up with an increase in travel rather than a decrease. It is very much in flux, but there is a strong conversation to be had with the universities to understand how they will play forward. It would be good for public transport operators to interact with them in that way.

- Q43 **Lord Pickles:** Thank you. I would ask witnesses to really be very brief on this question. It is about inequalities. Has the pandemic exacerbated inequalities? Has it created new inequalities that will last beyond the pandemic, looking at a five-year period?

David Cowan: The biggest risk is the transition period. We have to redesign for the future, but if we cannot cross-subsidise into the lesser-used services, we cannot keep those. The networks come under risk. If the networks come under risk, the 20% to 24% of people without cars lose out. I see that as the biggest risk, how you get across the period of time and how our whole systems are designed to do a commute towards the future. It is in that period where I could see inequalities growing.

Norman Baker: They need not grow, but they could do. They could do if we end up with the Treasury deciding, for understandable reasons, that it cannot carry on with the level of support for bus services in the particular way it has. If they have not recovered to 100%, that will lead to either increased fares or decreased services. People on low incomes tend to be more dependent on bus services than people on higher incomes, so there is a risk there.

The risks for trains are different, because, by and large, commuters have more opportunities to work from home and more flexibility. Therefore, there is less of a risk there. The bus services in particular are very important to those on lower incomes, and they are the ones who are potentially at risk if we end with a withdrawal of a subsidy or support too early from government. Let us hope that does not occur.

- Q44 **Lord Hain:** I am looking at transport just from the point of view of town and city centres. We are all worried about the hollowing out, and maybe dying, of town and city centres. I am not an expert, but what innovations in transport could revive our town and city centres? Maybe it could be the Uber model applied to buses collectively to vary their direction.

Ian Wright: There have been various experiments with demand-responsive transport, which is largely what you are describing, around the country. Most of those ceased, even pre-pandemic. The problem with those is that they are not financially viable. If you spoke to any of the operators, they would say that it was great to experiment. Certainly, the major operators like First felt like they had to have some skin in the game, but it was not a long-term proposition commercially, and they would need subsidy to operate.

We have spoken to young bus passengers who are 14 years old and up and who are very tech savvy. As they get older, they are starting to use

Uber. They absolutely love the functionality of being able to order a service, of knowing where your bus is, et cetera. From a passenger perspective, it is potentially a win. I am sure that others on the call, including John, could say more, but it is not financially viable without a significant degree of subsidy.

The Chair: We will come to that question again in a couple of minutes. Sorry, Nick and John, you have something to add. Make it brief, because colleagues want to come in on this as well.

Professor Nick Tyler: I will be very brief. One of the things that has characterised bus services a bit too much is that they design it for the peak and then run that service for the rest of the day, maybe changing the frequency in order to be able to reduce the cost in the off-peak, whereas the demand in the off-peak may be completely different from the peak demand. We could do much more, following the pandemic, to help the town centres by directing services into the town centres for what typically is the off-peak demand during the day. It may be a completely different set of routes than during the morning peak when you are just going to work. That may be worth thinking about.

John Birtwistle: If I can just pick up on the cost thing, there are two reasons why demand-responsive alternatives to conventional routes have not been very successful. First, the biggest single cost in providing the service is that of the driver rather than the vehicle, so running these small vehicles on flexible routes does not save you a lot of money. Secondly, one of the reasons why a lot of these initiatives failed went back to the problem of car congestion. Giving people predictions as to when the bus was going to come along, pick them up, and get them to their destination turned out in many cases to be rather optimistic. People then felt let down by the service, because the congestion caused their service to be late. They thought "Well, I won't use that again".

The opportunity there is again to use the national bus strategy and the intent to deliver wholesale bus priority to overcome the latter of those problems. You can then start to use the vehicles more efficiently, and the element of the driver cost becomes less of an issue because you make an attractive service that people want to use.

I just have one other observation on public opinion. People tend to get used to their bus route. People tend to find it off-putting when a network that operates between 7 am and 10 am is replaced with a different one that operates between 10 pm and 3 am and then switches back to a peak network again. They want everything to be as simple as possible. Maybe it is the way that it is presented to them. A lot of work can be done.

Opportunities to stimulate the city centre economy include deals between bus operators and other commercial enterprises like pubs, restaurants, cinemas and theatres. Travel by bus, get your ticket half price, et cetera. It is all there to be explored.

Q45 **Lord Kamall:** I want to look at the response to the pandemic and what

we have learned from the pandemic, particularly in the last 15 months. Generally, there are three views on the effect of the pandemic. Some of you have talked about this. Some see it as accelerating pre-existing trends; some see it as an unforeseen disruptor changing the world either for good or bad in a different way; some that it will just bounce back to before, a bit like some of the empty tennis courts you see all year round—they are busy during Wimbledon week and you cannot get a court, and then they are sparsely populated.

Will any experiences, schemes and thinking that have been tried in the last 15 months result in very exciting innovations in public transport? Let me give you two or three examples I have heard or read about recently. Let us rethink public transport, for example. Why can scooters or bikes, as in London, for example, or car-sharing be considered part of public transport? People are talking long term about autonomous vehicles being part of public transport. Is car usage different from car ownership? Could it be part of public transport?

The other example is transport operators diversified, building on John's point. I have seen ideas about transport operators starting to own WeWork-type spaces, for example. Should that be seen as part of a transport experience or the experience for the consumer? I will stop there. What have you seen from the last 15 months that is very exciting about public transport for the future?

Professor Nick Tyler: Thank you, Lord Kamall. One of the exciting things that I have seen discussed over the past 15 months is what you were suggesting there. It is the transport entity either taking ownership of or providing things like WeWork centres, and consumers potentially paying for that using their travel card. In other words, they would be transporting electrons rather than people. That seems to me like quite an interesting thing, because you can put those where you are. One suggestion was that there was potential capacity inside rail stations, for example, for small centres like that which could work on short-term rentals. That seems to me a very interesting, innovative way of looking at what we are doing that could benefit both the town centre and the public transport people.

Q46 Lord Kamall: What about the experiences for any of you from other cities or towns, not only in the UK but elsewhere? There was great hope in cycle lanes, et cetera. How much of that will be continued? How much of that will be people just going back to how they behaved before once they get the first rainy day?

John Birtwistle: It is interesting to look at places like Barcelona. It has taken the opportunity to completely rethink the way it wants to provide public transport in the future and to really make it the priority mode throughout the central urban areas. Buses in particular will be given a lot more priority and prominence within the cityscape to complement the light rail system that already operates in the city. The changes that took place during the pandemic itself, particularly the reduction in traffic, were viewed as an opportunity to reallocate the road space and make big, important plans for the future.

This, again, is something that we might just have missed the opportunity for. Again, it can be tied into the national bus strategy and taken as a potential way forward for major towns and cities to really try to change not just the physical infrastructure but hearts and mind, and to get people to buy in to bus in particular. It is always seen as the Cinderella mode. Rail always gets the media interest; rail always gets the attention, whereas buses are sometimes pushed into the side-line.

We really need to begin to redress that balance. The new modes such as electric scooters and bikes are complementary to public transport. They can be competitive with it, but there is certainly an opportunity for public transport operators to spread their portfolio and integrate them into offering a first and last mile service.

The problem is that, over the last 15 months, to be perfectly honest we have all been concentrating on keeping the wheels turning. The attention we have been able to give to what we do in the future has been restricted by the conditions of the funding that allow us to spend it on certain things and just making sure that we have been providing the essential service for key workers and others who need to get about. Now, as we begin to emerge, we can start to focus our attentions on how we will build public transport back as a better, more inclusive service.

Lord Kamall: Before I come to Norman, I want to direct this straight back to you. You may not have been able to do some of these exciting things, but surely you will have been thinking about some of these exciting things.

John Birtwistle: Absolutely.

Lord Kamall: I am just thinking off the top of my head. Could your company start owning e-scooter systems where they have a docking station or leave-in right next to the bus stop so that you are bringing them to the bus? That makes sense. What sort of things are you thinking about?

John Birtwistle: Obviously, without giving away any commercial secrets, that is the sort of thing—

Lord Kamall: Oh, sorry, yes.

John Birtwistle: —that is under consideration. It is precisely that. It is providing services that will give people the first and last mile. Therefore, their excuse for not using public transport—"It doesn't take me where I need to go"—is removed. It does not need to be provided by the same transport operator, as long as it is seamless. This is where the development of intelligent apps and websites can really help by providing people with the information that they need. A lot of the services that are there today do not give people basic information such as, "Can I get to the bus stop physically if I am in a wheelchair?", and, "If I am, can I then board the bus? Does it provide me with level boarding?"

We have had to invest, and quite rightly, in fully accessible vehicles, but the investment has not been made in fully accessible bus stops, or indeed in routes to them, or, really basically, in the information about whether a route to a bus stop is accessible. That is a very simple, fundamental thing that needs to be addressed very quickly. All the other elements such as electric bicycle hire, electric scooter hire and all the other things that will help people to complete their journeys by public transport are also all to follow.

Can I just draw your attention to the work that we are involved in in Didcot in Oxfordshire? We are providing an integrated transport package through the partners we are working with to provide information on alternative modes for completing first and last mile. We are also investigating autonomous bus services in that area and how they can be developed as part of a potential extension of the public transport network in the future. This is all innovative stuff that is funded by Innovate UK through CCAV. If anybody wants to look at the MultiCAV project and see what is being looked at in quite diverse innovation, can I please recommend that to you to look at?

Lord Kamall: Thank you, John. Thank you for pointing that out. That is just the sort of stuff that we want to look at, so that helps to answer the question.

Norman Baker: One of the drivers from the last 18 months has been the rediscovery by the public at large of clean air and that a relatively car-free environment is a rather pleasant thing to have, particularly in the early stages of the pandemic when there was very little car movement. That has had implications for decision-making across different towns and cities. I am interested in the comments of the Mayor of Strasbourg, for example. As a consequence of the enthusiasm for clean air, they have now made public transport free for everybody under 18. He says that it is a public transport issue and that an estimated 500 people a year die from air pollution.

In London, we have seen the particular case of that tragic girl and the coroner's comments about that. There is an increased awareness of air pollution and a reluctance to see that gain from last year, if you like, lost. That has led to low-traffic neighbourhoods. Most of them have been introduced quite sensibly. One or two of them have been rather disastrous in the way they were handled. That has been introduced, and those who are living in low-traffic neighbourhoods that are working welcome those. Those, of course, are predominantly seeking to reduce car use in those areas.

Another area that it might be worth the committee thinking about is the rollout of cargo bikes in the UK. Increasingly, we are now seeing e-bikes, or even bicycles, used to transport goods around. Companies like Sainsbury's are now using those cargo bikes within cities, which of course are cleaner, more efficient, and less subject to congestion. I had a conversation with one of the rail rolling stock companies just last week. They are converting passenger vehicles, which are now no use for

passenger traffic because they are non-compliant with disability legislation, to carry light goods and parcels between city centres.

These are the sorts of innovations that are very good for the environment, but also very creative in their use of otherwise-defunct rolling stock. There is an increased determination to move freight in city centres and between city centres in ways that are clean. They are not necessarily using vans or HGVs. It is interesting that in rail freight generally only 1% of rail freight now is coal, whereas 20 years ago the vast bulk of rail freight would have been coal.

Lord Kamall: Sorry, Norman. Can I stop you there? How much of this is due to the experience of the last 15 months and how much of this was going to happen anyway?

Norman Baker: Quite a lot of it is. It is this grasping of clean air and the clean environment. That was there for a while and it has generated enthusiasm among the public at large and among transport operators to try to make sure that some of that is captured and not lost.

Another innovative scheme that has come up recently that you might want to think about is the use of mobility credits, which is now being seen in Coventry and places like that, where you are incentivised to use public transport if you give up your second car. There has been a general push towards these new ideas as a consequence of the pandemic, both in the clean air environments that are being created and the spaces that are being created for new ideas.

Lord Kamall: Thank you, Norman. David, you have clearly been thinking a lot about this for your market in Northern Ireland. Please tell us about it.

David Cowan: There is a big move towards cycling and the whole concept of active travel. There is a role for public transport as to how we integrate into that. That will be through providing the information, allowing you to journey plan, and using digital integration that is now available. On top of that, there is payment so that you can make the seamless journey possible and deal with the first and last mile.

The only thing that was not discussed earlier was the whole acceleration of the move to park and ride. Again, the deal with the commute, or what is left of the commute, is how we get people to use that first period of their journey with their electric car in the future, or with their diesel car now, interconnecting into the bus and rail networks and park and ride. That has all accelerated, but the big thing has probably been active travel.

Coming on from that, the issue is how you manage road space and kerb access within the town centres, because some of the schemes have not necessarily been good for doing that. The thinking has to be about integration and about how the public transport network underpins and helps that to happen.

Q47 **Baroness Jay of Paddington:** It has been a really interesting discussion. You have been focusing, particularly in the last sequence of questions, on a general perspective about the future.

I want you to focus on the future lives of people living specifically in small cities and towns. Who are the people we are trying to concentrate on in this inquiry, and how you see their lives at different stages of their life? They might be youngsters going to school or college, young mums taking children on a school run, or older people trying to do their shopping, et cetera. How do you envisage the best possible type of transport for them in the future?

Nick talked about how the pandemic had produced what he called a full handbrake turn on how we thought about some of these things. Going right back to the beginning this morning, Norman talked about how we could see transport policy in the broader context of general societal improvements and wider social policy if we were trying to develop a new strategy for the next few years. I wondered if I could ask you to look at those broad concepts, but in the narrower idea of life in a small city or town.

Norman Baker: That is an exam question. I will do my best to deal with it. With regard to youngsters in particular, we have heard John say that they want functionality from bus services. That is quite true. It is encouraging for public transport that they do not, by and large, want to get driving licences as fast as my generation wanted to get driving licences. They want to be able to get from A to B. My daughter, for example, says, "I want to go out and party. I want to be able to drink and I want to be able to come back. I'm not drinking and driving, so I want to get back by public transport, Uber or something else". That is the mentality. That is an encouraging sign.

It is about making sure that public transport operators in a wider sense work out what their customers or passengers want. Rather than putting on a service that says, "You must use this service, which is inflexible between A and B", say, "What do you want to do? Where do you want to go at what time, and what are you looking for on your bus, train or Uber?" That is what they have to do, and they are doing it increasingly. There has been a change in public transport operators' minds to being far more passenger-focused. That has come out from the rail White Paper, which is much more passenger-focused than the old-fashioned Network Rail was before.

They want flexibility. They want to be able to go from A to B sustainably, as a matter of fact, because by and large the younger generation is far more responsible and lively about climate change than the older generation is. They want to exercise that right to be sustainable. That means good bus services running at the right time. It means that bus services that stop at 6 pm are frankly useless for young people who want to go to the cinema or somewhere.

You mentioned small towns, Margaret. Small towns, by and large, will not have cinemas. They will not have the same bowling alleys or wherever

else people want to go to. They will not have those facilities, by and large, so people will have to go to the nearest town. My town is Lewes. It is very well served by public transport, but if we want to go to a cinema, a bowling alley, or somewhere else we want to go to Brighton or Eastbourne. That means that we have to get there by public transport.

Public transport has to be available for those who want to use it throughout the day. Public transport that works from 7 am to 6 pm is designed for a period of time that is gone. That is a 1954 mentality. It does not work anymore.

Baroness Jay of Paddington: Norman, you talk about that broader-based, passenger-focused, passenger-responsive service, but how is it paid for? I liked the points you made earlier about how some of the cities had decided that the whole thing should be, rather contra-suggestibly in America, a purely public service. Is that something you can really see growing?

Norman Baker: It needs to grow, to be perfectly honest with you. Without repeating myself too much, I hope, I mentioned earlier that successive Governments have sought to make public transport pay for itself. That is a flawed model. Public transport should be seen as a public good, delivering all sorts of other activities: reducing social disorientation and isolation, and reducing crime as a matter of fact. If people can get around, they will not stand around trying to smash windows on housing estates.

The idea of more money going to public transport, making it cheaper, and making the service more reliable is an entirely sensible use of public money. It cannot all come from the public purse directly. It may come from the operators themselves from running better services, which then make more money. It may come from community infrastructure levies, for example. There are different ways of funding these things. The idea of having public transport running throughout the day rather than simply being a narrow part of the day is very important. Unfortunately, that is not what we have at the moment, but we could get there if we wanted to do so.

One last point I will make on this is that people do not necessarily have confidence that the bus service that they want to use will be there next week. There has been a huge reduction in bus services over the last 10 years, particularly in rural areas, and particularly from subsidised services that were paid for by councils because councils have been short of money. I have come across many people who have taken a job but have not been able to stay in it because the bus service has been withdrawn. Light and heavy rail are more predictable because they do not move; they will still be there, and because of sunken costs, which someone mentioned earlier. We have to have the confidence that when a service is put on, either a DRT service or a direct bus service, it will be there in six months' time. That confidence needs to be instilled. It is not quite there at the moment.

Baroness Jay of Paddington: Thank you very much. Nick, you used the phrase “a full handbrake turn”. What should the full handbrake turn produce—thinking in a strategic, visionary way, if not necessarily a practical way?

Professor Nick Tyler: Thank you very much. The full handbrake turn could be really useful to encourage the operators and planners of public transport systems to talk more responsibly with the potential users. That is not just to the people who are using them, but to the people who are not using them. This could be really helpful to all parties, including those operators, because they think that they are providing a service. Maybe that is the right service, but maybe it is not. Talk especially to the people who are not using them in a very responsive way to see what might be wanted, and then think about how they can do it. The handbrake turn is a good opportunity to get them to change their way of thinking.

Baroness Jay of Paddington: Sorry to interrupt you, but should that be done by individual commercial operators? Could we try to develop it as a public exercise, like citizens’ councils and those kinds of activities? Would it be worth doing from a public expenditure point of view?

Professor Nick Tyler: To me, a really exciting idea is to work at a neighbourhood or a local community level. The public service element comes in at “Can we service this neighbourhood and this part of a small city?” kind of level. How do you get the kind of things that you want to do every day or once a week serviced through the public transport system, including walking, cycling, scooting and so on? Discuss on that level and then build upwards from that into what you do for your town and city. The bus operator then has a whole picture of the entire journey, not just the part between the last and first miles but the whole thing.

That change in approach of being able to encourage neighbourhoods to come together and to talk with operators would be a very constructive move forward. If we could encourage that through the public realm of public offices, or whatever, that would be a really strong way forward. It would give the neighbourhoods a voice.

Baroness Jay of Paddington: Yes, that is a very interesting idea. John, obviously in many specific communities buses are the primary form of public transport. What would you feel about that way of approach? Do you have any other very interesting and visionary ideas about how we could take this forward now?

John Birtwistle: It is always a challenge to look at smaller communities and work out how you can serve them on a viable basis. Getting their views first-hand and getting people to become involved in the decision-making process is absolutely essential. A lot of people will be very keen and enthusiastic, and then you ask them to deliver and it suddenly all goes quiet: “Oh, me? Oh, no. I’m sorry. I’m busy”.

Get the individuals who are enthusiastic to contribute to the debates, put their views forward, and think not just about how to articulate the

problems, but about how to solve them. Models have been developed in the past in which commercial bus operators have worked with community transport operators to try to provide them with assistance, training and access to resources to help them to set up their own services that will then complement the network of the conventional bus services.

That is one way forward. It has its limitations. Can I be really controversial and look a little further ahead?

Baroness Jay of Paddington: Yes, please. That is what we want.

John Birtwistle: On funding models for such public transport services, one of the ideas that is currently most in my mind is beginning to educate people about the real costs of the journeys that they are making and to give them the information about those journeys. People who choose to travel by car usually do not take account of most of the internal costs of that car journey. They do not think about the insurance cost, the maintenance cost or the depreciation cost. They certainly do not think about the external costs of that journey, such as the contribution to carbon production, air quality problems or congestion. Congestion has a huge cost in itself.

Begin to educate people as to the external costs of those private car journeys and give them the information about the external costs of those private car journeys. Ultimately, where there is a public transport alternative, or one that could be provided, you could begin to use that as a form of user pricing, user charging, or whatever you want to call it; all the words are, unfortunately, unacceptable. We need to come up with a term that does not have a negative connotation.

Baroness Jay of Paddington: Do you have any ideas?

John Birtwistle: I do not at the moment. Using that as a funding stream via transport for people becomes a sustainable solution over time. It is perhaps a model for these hard-to-serve smaller towns, market towns, and even small, self-contained cities that we might be able to help develop. The polluter-pays principle can become an alternative funding model.

Something always bothers me with the initiatives such as the ones we are about to see delivered under the national bus strategy whereby a local authority can help to kickstart a bus service or a network of bus services by underwriting some of the costs of operating them or subsidising the fares such that the public pay, for instance, only a pound a journey.

This is all possible under the new regime that we will see from next April, but what bothers me is what happens when that money runs out. We have a pot of money that has been earmarked to deliver the national bus strategy and it will not last for ever. A subsequent Government might decide that they do not want to perpetuate this plan. Some of the services that might have been developed under the national bus strategy

will become financially viable, but an awful lot of them probably will not. If that funding stream is cut off, you will be in a worse position than you were before you started. We need to have longevity of funding and a long-term vision.

Baroness Jay of Paddington: The other interesting thing that was raised by Norman—perhaps you lost your connection at that point, John—was the way in which the younger generation would certainly accept a lot of the different forms of public transport because of their concern about sustainability and the points you have just raised. I am thinking about a whole community, a town or a small city. You see the problems, for example, in older people and people with disabilities doing the shopping, getting on and off buses, having the problems about routes, et cetera. Do you have any particular vision about how the older section of society could be weaned away from their cars by the shopping exercise, or whatever it might be?

John Birtwistle: A lot of that goes back to the convenience and connectivity, starting with information. We must make public transport easy to use. We cannot expect people to have to have a degree in computer science to understand where they find out information about bus services and how to understand that information, and then to translate that into action. We all need to make it easier. Public transport operators in particular are aware of this and are taking steps to make it easier, but it also goes back to the convenience of the service. More elderly people and people with disabilities need to be able to have the confidence that they can make that end-to-end journey safely, comfortably, and in a manner that is at least as easy as making that journey by car.

Part of this ties into the planning system. Where out-of-town developments have been built even in quite rural communities that are entirely car-based and can be accessed realistically only by a car because of their design or location, and which have acres of free or almost-free car parking, turning the tide and providing to those places bus services that are sustainable and getting people door to door is very difficult.

We need to start thinking about that. We need to ensure that, when we are planning for future developments, they are not these monolithic, car-centred, out-of-town facilities that people do not stand a chance of being able to serve with a commercial bus service and which, in the current environment, local authorities are unable to subsidise a service to run to.

We need more joined-up thinking about public transport and land-use planning, and making sure that the sectors of the community that really could benefit from accessible bus services, but that in some cases are struggling to run a car at the expense of other things which they should spend their long-saved retirement income on, can get better value and quality of life by having a public transport service that they can rely on.

The models are all there, but they all need bringing together and unifying, and we need some sort of holistic view as to how we begin to

tackle these problems. At the moment, it is all compartmentalised. There is very little joined-up thinking in this area.

Baroness Jay of Paddington: Is that a role for government? Who is that a role for?

John Birtwistle: That is a role for government, local government and bus operators. Particularly when it comes to local government, the transport and planning functions need to be joined up. That is often where the disconnect comes.

Baroness Jay of Paddington: Thank you very much. Ian and David, I have not asked you specifically about this. Ian, do you want to say something specific about providing an ideal transport system for small cities and towns?

Ian Wright: Yes. This idea of consulting both current and potential passengers is critical. This handbrake turn, as we are describing it, has come potentially at a good time when we have the rail plan and the national bus strategy. It is a good time to think about these big issues. Within the national bus strategy, enhanced partnerships between local authorities and bus operators are encouraging greater consultation with local residents. That is a step in the right direction.

I agree with John that it has to be joined up. As I said at the start, transport is a derived demand. If we are putting shopping centres and business parks outside town that are difficult to get to and easy to get to only by car, we are creating a problem of our own making. This is a real issue of equality for those who are reliant on the bus. They may be younger passengers or those who cannot afford a car in order to have access to jobs and education and just simply to live their lives, go shopping, and visit family and friends.

Again, the national bus strategy might give us some of this, but it needs quite strong local leadership. Pre-Covid, we saw this battle for road space—it has been exacerbated—between cars, the online deliveries we are all getting, cycling infrastructures, and scooters. That is a really difficult balance. You need strong leadership. Low-traffic neighbourhoods have worked in some places, but they have also been quite polarising. It shows what a challenge it is locally to try to balance those differing views. Without it, we will not end up with an integrated, sustainable transport system in those smaller cities and towns.

Baroness Jay of Paddington: You said earlier that if you show the incentives, you show the solutions. Does that apply in this? What are the incentives to local leadership to try to deal with this in this way?

Ian Wright: There are definitely some incentives within the national bus strategy for potential funding. As we know, funding is often a very powerful incentive in the same way that fares and pricing are a very powerful incentive for passengers themselves.

Just to pick up on something that Norman has mentioned a couple of times, we should experiment with some version of free transport somewhere. America is the great challenge there, because it is not where you would expect it, but it is pretty common in many parts of Europe. There are lots of small cities and towns in France that do it. Luxembourg went free public transport a year or two ago. Famously, it has started in Estonia. It needs to be experimented with. It works particularly well when the farebox income is low. It is at the moment, so maybe now is the time to try. I accept that finances are somewhat challenged, so that might be a disincentive to try it.

My only slight concern is whether people value something that is free. We have seen in some of the examples I have just mentioned that you create perverse incentives like jumping on a bus for two stops when you could and possibly should be walking it, but I guess you could do that with a season ticket as well. There are some things to watch out for, but why not give it a go and see if you can overcome some of those issues with it?

Baroness Jay of Paddington: That has been really interesting.

David Cowan: It is absolutely vital for the small towns that land use and public transport are planned together. There is a role for a government in that. Development gain can be pushed towards public transport. We have too many housing or shopping developments that you cannot access easily by bus. That is easily fixed by building that into the process.

You reach a point where the type of demand that you will have there will need to be supported. In a large number of the small towns, you might not make that a commercial service. Our model is that you cross-subsidise from where you can make money, but that might be something to think about. A key issue is land use and public transport being planned together.

Baroness Jay of Paddington: That is really helpful. Thank you very much.

Q48 **Baroness Morgan of Cotes:** I should first declare my interest as an adviser to Grayling, of which FirstGroup is a client.

I want to build on what we have just been talking about, which is the post-pandemic opportunities for transport to help towns and cities potentially to regenerate. There was reference to cities in particular being hollowed out and there being far less commuting than we might have seen before the pandemic.

We have heard lots of, "This could happen", and, "Government or local government could be doing this". I wanted to ask the witnesses whether there are any examples they are involved with or aware of, or discussions, particularly between campaign groups. We have also heard in previous witness sessions from the Centre for Cities and the Centre for Towns.

Are there discussions about what activities will be put in place if there is less working in towns and city centres, and about what opportunities

public transport has to support that regeneration? Does anybody have any specific examples of conversations they are having, even if they cannot share all the details with us? I am looking at blank faces, so I assume there are no conversations. There is lots of, "We'd like to reinvent things", but not much reinvention actually happening.

Norman, you obviously campaign for better transport. How do you join up with other campaign groups, perhaps looking particularly at towns and cities and regeneration opportunities involving conversations with public transport providers?

Norman Baker: We have strong links with other sustainable transport charities, so it is predominantly from a transport point of view rather than an economic point of view, I suppose, although we are very much conscious of the economic aspect. We are in something called the Sustainable Transport Alliance, which at the moment is trying to talk to Alok Sharma about COP 26. We try to take a wider view on these matters.

Just to try to give you some comfort, we are not completely devoid of ideas and activities where we are, nor indeed are other colleagues around the table. I want to go back to the consultation point that was raised, which is terribly important. We did some work with a place called Ramsey up in Huntingdonshire quite recently. I was there, and it was quite clear that the bus service was totally the wrong bus service for the area. It ran at the wrong times, it went to the wrong places, and it had the wrong routes. That is now being sorted out. The consultation point in all your local communities is absolutely key.

You will know this, Nicky. I spent a year running a bus company down in Brighton and Hove, and I am happy to say that we moved it from the fourth-biggest to the second-biggest in the city for routes while I was there. One of the things that I was looking at, which is a model that I wanted to try to roll out further, was having a combined route. It was a traditional bus route with a timetable, but at one end where there was an estate of elderly people we made it a DRT service. People could ring up for the bus to stop outside their house, but within the certain parameters. It would cover a certain time along the traditional bus route, but then have a bit more time at the other end to wander around and pick up people from their doors. That kind of hybrid route is interesting.

Coming back to towns and cities, and the Centre for Cities, John answered the point earlier with the very good idea of combining bus fares with low entry to particular attractions in towns and cities. Ultimately though, they have to have somewhere to go. People will not get on a bus, a train or anything else unless they want to go somewhere for a particular reason. They are not going to go to big centres anymore for shopping. They are either shopping online or using their local town centres far more.

I am more encouraged about the local town centres, because people will walk to those. In a sense, that is a return to how matters would have

been decades ago. I am particularly aware, I suppose, of the West End in London. You have places like Debenhams and Gap closing all their stores. What is the point of going to Oxford Street these days? There is a real issue with those big centres in that sense.

Leisure is a growth market for bus and rail, which is why we should end these ridiculous engineering works on Sundays on the rail service. TfL told me last week that Sunday was the busiest day on the Underground. We are now in a different situation. They have to have somewhere to go. That is the key point, and it is a matter beyond transport operators to get to.

I will make one last point, if I may. It is slightly tangential, but I wanted to come back to incentives to use public transport. Since 1987, the cost of travelling by bus has gone up 403%. The cost of going by rail has gone up 325%. The cost of going by car has gone up 163%. Since 2011, we have seen fuel duty frozen at a time when bus and train fares have gone up above inflation. If we are serious about public transport use, the Treasury has to change its mindset on that.

Baroness Morgan of Cotes: I want to come back to John and David about the points that you raised. Lord Pickles asked about inequalities earlier. I do not want to put words in your mouth, but would you agree that those increases, in your experience, would hit different groups of people in different ways and potentially exacerbate inequalities compared to people who are using buses and cars?

Norman Baker: I totally agree, because the average wage of someone on a bus is lower than the average wage of someone on a train. Car use depends on the type of car you have. Successive Governments over 30 or 40 years have put up the cost of travelling by bus more than any other mode of transport. Buses are the mode of transport used by those who are poorest. It makes no sort of sense.

Baroness Morgan of Cotes: Thank you. John and David, I want to come back to pick up what Norman was just talking about. At various points, we have heard that transport use will change. I wonder if you agree with him that leisure is the new opportunity. Without giving too much away—it is obviously up to you—how do you re-design or re-examine services? How do you work with end towns and cities if those who are using transport, and the reason why they are using transport, will change post-pandemic?

John Birtwistle: Thank you. I will use a practical example that is sadly not based on towns or cities but is based more on rural areas and visitor attractions. If you were to look at what we have done as First Bus within the last three months in Devon and Cornwall, you would find that we have introduced new networks of services designed specifically to attract a tourist market while providing local essential links. We are combining the demand for travel between individual settlements that is not currently provided for in a way that is provided in effect through attracting tourists. They will buy leisure tickets for a day's or a week's travel, and therefore

help to make that service available to the local communities that it also serves. We have networks of services in the Dartmoor area and around the Eden Project. They are there not just to provide these tourist links but to provide links for local communities.

We are tapping into this emerging leisure market, and in particular the fact that at the moment—we do not know how long this will last—people are holidaying in the UK who would normally be going abroad, because they just do not have those same opportunities due to the travel restrictions and the quarantine restrictions. We have quite a burgeoning domestic travel market at the moment. Public transport operators should take advantage of that opportunity.

Again, it ties into what you really want to do. Do you want to be reliant on using your private car throughout your holiday to eat, to drink and to go to leisure attractions? No, you would be much better using public transport. As operators, we need to come up with the services and sell them. I do not mean “sell” as in going out and looking for cash in that way. I mean sell as a beneficial service that we can offer people who would not otherwise use public transport but who, when they return home, will think “Do you know what? That was great. I could use the bus for some of my journeys at home as well”.

It is all about making it simple, clear, and easy to use. Things like apps, websites, contactless payments and end-to-end journey planning contribute, but you have to get it right. The one thing that sadly always lets us down is the problem of congestion. We still need help to overcome that congestion. We even get congestion on Dartmoor and in Cornwall. It is ever present, but we have to work through that. We need to have the confidence that we can deliver an attractive service to people despite that hindrance that congestion causes us.

David Cowan: The tourism-related comments are interesting. Belfast is going for a sustainable tourist approach. That is very important for engagement with Europe in terms of how people go on holiday nowadays. The public transport offering is a key part of that. We are working closely with the Tourist Board to deliver on that.

You had started asking about the process of how you engage locally and how we are working with local councils. Within Northern Ireland, local transport plans are being developed by the council areas. We are working with them on that. Covid has probably run away a wee bit with that. At the moment, we are still thinking, or we were thinking, about how things were pre-Covid. But that is a good structure for how you start to put these ideas into practice.

- Q49 **The Chair:** I am really keen that we finish off by trying to get as specific as possible. Can I ask you all for your one recommendation to help regenerate towns and cities using public transport in the context of the trends that you have helped us to understand today? That recommendation can be to government or other actors, but we are really keen to understand whether there is a dominant priority for you in that

future-facing context. We can take written evidence from you for other supplementary points that you might want to make.

I would really appreciate it if we could just use these last few minutes to get to a specific recommendation for help to regenerate towns and cities, or to make sure that we have the most robust towns and cities, using public transport in the context of the trends that you have described.

John Birtwistle: Thank you. My recommendation would be to have a mandatory review of road space priorities.

The Chair: Do you want to elaborate briefly? That was super brief. Well done, but you are allowed one minute to elaborate on it.

John Birtwistle: It is all about the efficient movement of people rather than vehicles. Public transport, we believe, can deliver the economic regeneration, the societal equality, and the environmental improvements that we need coming out of Covid, but it needs to be given an environment in which it can operate efficiently and provide attractive services to the public. That means bus priority and reallocation of road space.

David Cowan: I will be very brief and support John. Public transport and planning need to come together. They need to be done together. Development planning has to happen with public transport planning. A key part of that is road and kerb space in our towns. There needs to be a holistic view of it, and it needs to be planned to support public transport. That is the key message.

The Chair: Thank you. Yes, you have certainly highlighted the interlocking relationships between planning and transport for us today.

Professor Nick Tyler: My recommendation would be to facilitate local participation in the planning and operation of the town centres and the neighbourhoods around them, including the transport that they need in order to be able to access them, and especially including the pedestrian facilities for walking that we need in order to be able to get to the transport systems and deliver it.

Norman Baker: This is like *Desert Island Discs* when you have to choose eight records and you have about 500 you want to select. I agree with all those points. That is the first thing I would say. One that has not been mentioned is price. Price is terribly important in influencing how people behave. I want to see a more level playing field in price between public transport and private transport to reverse the trend I referred to in answering Nicky Morgan a moment ago. I want to see a more level playing field for ticketing systems, and through ticketing between different modes, so that when you buy a ticket, no matter whether you are getting on a bus, light rail, or train, or how many times you change, you pay for one ticket. The one ticket survives all the way through and is relatively good value. That is what I want to see. If you do that, it will transform how people behave and their wish to get on public transport.

Ian Wright: Build services around both current and potential passengers. If you asked them, they would tell you, broadly speaking, to make it affordable. It is about pricing. They would tell you to make it convenient, which is about having a punctual, reliable service, and a good network. That will make sure that public transport is both financially and environmentally sustainable. It brings equality benefits as well for those who have to use public transport. Finally, I would probably not make any absolutely final decisions right now, because things are still in flux.

The Chair: Yes, you have maybe just highlighted one of the biggest challenges of our committee: things are still in flux. Certainly, when we were constituted over a year ago, we did not feel as though they would be in quite such a state of flux right now. Thank you very much. It has been a really interesting session, and I really appreciate your very good attempts to get us into the future and to think beyond the current situation that we are in. Thank you. I wish you all a good next few months and some relative freedom returning. Thank you very much.