



Built Environment Committee

Corrected oral evidence: Public transport in towns and cities

Tuesday 8 February 2022

10 am

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Members present: Baroness Neville-Rolfe (The Chair); Baroness Bakewell; Lord Berkeley; Lord Best; Lord Carrington of Fulham; Lord Grocott; Lord Haselhurst; The Earl of Lytton; Lord Stunell; Baroness Thornhill.

Evidence Session No. 2

Heard in Public

Questions 11 - 23

Witnesses

I: Phil Southall, Managing Director, Oxford Bus Company; Graham Vidler, Chief Executive, Confederation for Passenger Transport.

Examination of witnesses

Phil Southall and Graham Vidler.

Q11 The Chair: Welcome to the House of Lords Built Environment Committee's public evidence session in our inquiry on public transport in towns and cities. This inquiry will consider the impact of technological and digital development on travel behaviours, future trends in public transport and innovation, and how public policy can be shaped in the light of those trends. We are also interested in connectivity across modes as well as in the modes themselves and better integration through data and innovation. Today, we are focusing on buses. We will make recommendations to the Government later this year.

Our witnesses this week are Phil Southall, managing director of the Oxford Bus Company, and Graham Vidler, chief executive of the Confederation for Passenger Transport.

We are broadcasting on parliamentlive.tv. A full transcript is being taken and will be made available to the witnesses for any corrections after the session. Perhaps you could kindly keep your questions and answers brief, as we have a lot to cover this morning.

We will go straight into questions, and I will start. Passenger numbers during peak hours have fallen dramatically following the Covid-19 pandemic. We are very interested in what the impact of that is likely to be in the longer term on provision of public transport services and what that is doing to the financing of public transport.

Phil Southall: Yes, the pandemic has obviously hit bus services hard. At the height of lockdown, certainly in Oxford we were as low as 6% of normal. We have now recovered to about 70% to 75% of normal, but we do not yet believe that we are at the new normal level. In Oxfordshire, 80% of businesses have not yet come up with a hybrid working policy, because it is deemed that we are still in crisis responding to government advice, and things like the "avoid public transport" messaging have left a bit of a legacy on customers. We believe we can get more patronage back on to the bus, but at the moment we are at about 75%. We need to work through the changes in habits. Inevitably, the impact of the pandemic has left a lasting legacy.

We need to do everything we can to get people back on buses in the short term, over the next six to nine months, to allow us to establish what the new normal is to allow us to plan services with our local authorities and in partnership as we go into the bus service improvement plans and the enhanced partnership regimes that come in in October this year.

We need some short-term help at the moment, because the additional bus recovery grants are due to finish on 5 April, as we stand today, and the Government have not confirmed that they will continue. Bus service improvement plans and enhanced partnerships come in from 1 October, so at the moment we have a gap where we have a bit of a cliff edge. We

are potentially looking at service reductions, which we are doing everything we can to avoid.

The reality is that bus services have a really bright future. The bus service improvement plans have shown that there is lots of ambition, and the Government have announced funding to support those plans, but, at the minute, we need that bit of extra time to try to generate the patronage back as we find that new normal as more and more people return to using the bus.

The Chair: Do you think that Covid has hit buses less than other forms of transport?

Phil Southall: No, bus patronage has actually recovered more quickly than rail. There was a spike in active travel during the pandemic as more people chose to walk and cycle. A lot of people have returned to the bus. Over the summer, for example, in Oxford patronage was running at about 55% of pre-Covid levels. Come September, when the schoolchildren returned and people were forming their annual travel habits, we got back up to about 70%. It was gradually creeping up until plan B came in round about October, when it went back down to about 66%, but, more recently, since those restrictions have been removed it has gone back up to about 72%.

We are iteratively making improvements and more people are coming back to bus. It is a much stronger return compared to rail, where that is more at the 50% level. Buses have come back more strongly, but we have some way to go, which is why we need this bit of extra time to find that new normal and get more people back on to the bus.

What is happening is that in cities like Oxford, where there is a high level of discretionary use and people are choosing to use the bus rather than having to use it because they have no alternative, they are suffering a lot more. Our park and ride service, which is quite iconic in Oxford, is only at 60% of normal, because more people are choosing to use the car to drive into the city centre at the moment because they are concerned about using buses because of the strong negative messaging that came out to avoid using public transport. There is still a bit of a legacy that we need to work on to encourage people to have the confidence to come back on to buses.

The Chair: Thank you. Mr Vidler, can you comment on the longer term as well as the short term? I know there is a short-term problem this year, but for our study we also need to understand the longer-term implications.

Graham Vidler: Absolutely, and I have very similar points to what you heard from Mr Southall, so I will try not to repeat those. The thing that I would emphasise is that over the past two years we have worked very closely with central and local government to keep bus services running. Despite that huge suppression of demand, an injection of funding from government has enabled us to keep services running at round about 90%

for most of the past two years. Even though demand has been down as low as 10% or 20% at times, we have kept services very high.

As Mr Southall said, that funding, known as the bus recovery grant, is due to run out on 5 April. Combined with inflationary pressures, in particular wage pressures—staff costs account for 60% of the industry's costs—that gives us the prospect of a £350 million funding gap for the next financial year. The consequences of that could be that bus operators are forced to reduce services by up to 30%, and it will vary widely between places.

To turn to your question about the long term, the long-term prospects for bus travel are very good, in my view. If you consider the report of the Committee on Climate Change, to stay on track on its balanced pathway we need to see about 10% of car journeys—short, urban car journeys usually—transferred to bus by the end of this decade. That would represent a 50% increase in bus journeys compared with pre-pandemic levels, so there is a huge opportunity there.

The question is: how do we get there? The decisions the Government make in the coming weeks will be critical. If they are able to provide a short-term, time-limited extension of bus recovery grant, that will give the market time to recover, it will create a much higher new normal than if we suddenly have a step change this April, and it will mean that you have a much more vibrant, commercial, self-sustaining market that can provide those services.

If, on the other hand, the Government step away and say, "No, we don't want to support the network in the coming months", not only will it undermine the ambition set out in the national bus strategy but it will mean that, at some point in the future, if they are to stay on track to achieve net zero we will have to rebuild all those bus services, which will cost more money and it will be harder to attract passengers who have formed new habits and become used to travelling in different ways. The long term depends very much on some short-term decisions that are made in the next couple of weeks.

The Chair: Right, finger on the button.

Q12 **Lord Berkeley:** You have both given us very interesting answers so far. Looking at the long term, how do you assess the choices that passengers, or travellers shall we say, might make in terms of money—how much they have to pay—the time, convenience, safety, and the need to travel at all, of course, across the different modes, some of which you are working together with, and some of which you might be in competition with, ranging from walking, cycling, scooters, bikes, buses and trains? What do you see as the long-term trend? That is something that the Government ought to be thinking about, and I wonder whether they are.

Graham Vidler: That is absolutely right, and that is a great question. Thank you very much. In terms of the overall demand for travel, we do not know yet. As Mr Southall said, in many parts of the country

employers do not have their hybrid working plans in place, so employees do not know when, how and how often they are expected to commute. Things like that, what we tend to call the new normal, will emerge slowly over the coming months—perhaps years, in fact. That contrasts with the position for leisure travel, which has already returned to something like its pre-pandemic levels. That commuting demand is very uncertain as we look forward.

In terms of the choices that people make between different modes, there is a concept in the bus industry that you may be familiar with called generalised cost, where you try to turn all those factors into how much it costs to take a bus as opposed to taking the car, and you take into account the fare you pay but also the time you take travelling. It costs about four times as much to travel by bus as it does by car. That reflects a number of facts. Some of them are fundamental to travelling by bus—it takes longer than travelling by car—but it also reflects an artificially low price for car travel at the moment that is a result of decisions by successive Governments over the years.

Lord Berkeley: Did you say four times the cost or four times the time? I was not quite certain.

Graham Vidler: It is a concept that translates as time into cost; an hour of my time is worth £X. It works that way.

Lord Berkeley: Indeed.

Graham Vidler: If the Government are really serious about modal shift—as I have said, they need to move some journeys from car to bus to stay on track to meet their net-zero commitments—they will have to look at that. They can look at it in two ways. One is to make buses cheaper, principally by making them quicker and more reliable so that they are using up less of people's time. At some point they will also need to look at the cost of the car as well. As they look at things like road pricing, parking charges and fuel duty, they will have to address that part of the equation as well. Simply to level up bus, to borrow a phrase from elsewhere, would probably be too expensive.

Phil Southall: Covering the safety point, which is a very good question, there is a bit of a difference at the moment between people who have not come back to bus—what we would class as non-users—and those who are using the bus. The latest Transport Focus survey on this gives us as an indication of that; 49% of non-users at the moment would feel safe getting on to a bus, whereas 83% who have already returned to bus feel safe because the operators, including my own operation, have been doing a lot of work on cleaning. They use hospital-grade chemicals to make sure that it is a very clean environment. That negative messaging of “avoid public transport”, which was not really founded on evidence—it was more of a knee-jerk reaction—has left a bit of a legacy that people need to get over to come back to bus.

On the fundamental question about what the future looks like, when the bus strategy was first announced it was alongside an investment in active travel; £5 billion was going to be spent covering both buses and active travel. The reality is that in a city like Oxford the two need to work in harmony. A target has been set locally to remove one in four car journeys by 2030, which is ambitious. The only way that will be achieved is to get more people out of cars and on to buses, bikes and trains, which will require a massive modal shift, as the Committee for Climate Change has indicated needs to happen anyway if we are to achieve our net-zero targets. Quite often, a barrier is that the funding does not always land in a co-ordinated way where you can do things for public transport and active travel at the same time.

One example is low-traffic neighbourhoods, which have become very popular to introduce because people have been living in their neighbourhoods more during the pandemic. Those displaced traffic to the main roads. Unless you have a plan to speed up the buses on the main roads, that can cause bus journeys to be longer. Due to congestion on my busiest route in Oxford, the journey time has been extended by over 20% over seven years. It has been extended by a further 12% because of the impact of low-traffic neighbourhoods. Compared to 2013, because of the additional congestion the journey now takes a third longer than it did.

Mr Vidler says that the strategy really needs to be how we are going to speed up buses to make them attractive to people to achieve that modal shift. Yes, they need to be safe. We need to build confidence. We need to make sure they are clean, ventilated and provide that environment. But, ultimately, we need to achieve that modal shift if the Government are to achieve their net-zero targets.

Lord Berkeley: Thank you. That is very interesting.

Q13 Baroness Thornhill: I declare an interest as the daughter of a bus driver. My father used to berate me for taking my car into the town centre when I used to visit. He would say, "There'll be a bus at bottom of road in five minutes", and there was.

Your official question is about the national bus strategy, which you have just alluded to, Mr Southall. In particular, I am really interested in what are deemed to be the new powers that the authorities will have in order to make this strategy work. What will be different this time? I know that local authorities can already form partnerships and do. What do you believe are the greater levers this time, particularly because the funding for this has been cut already, has it not? We already know that there is a significant cut. So give us the "goods" and the "bads" of the current policy initiatives and the strategy.

Phil Southall: Thank you. It is a very good question. I am very happy to start. As you say, the funding was supposed to be £3 billion. That has been reduced to £1.2 billion. The Government asked local authorities to be ambitious when they submitted their bus service improvement plans,

and they were. All 79 local transport authorities nationally submitted their bus service improvement plans asking for various different amounts of money. We know that the funding that has been made available is very oversubscribed; 53 of those 79 bus service improvement plans included costs. The ask was £7 billion to £8 billion, whereas, as we now know, £1.2 billion will be made available.

It has reset the clock on ambition and trying to work in partnership with bus operators and local authorities to improve bus services in local areas. Enhanced partnerships are seen as the route for that. The pandemic showed that local authorities and bus companies have been very agile, working much more closely in partnership with each other, and it is envisaged that that good work will carry on.

There has been talk as well about levelling up to London-quality services. It is quite interesting to look at some statistics on that and at average spend per head. In London, the spend on buses is £73 per head of population. Outside London, it is £27 per head. That comes from the official statistics that the Government produce. That equates to about a £2.2 billion gap. That money has to come from somewhere. Bus service improvement plans were seen as the route through which this money might come, but now the ambition will probably be underfunded. It is how we deliver that same ambition but get the funding through other routes.

The levelling-up White Paper that came out puts buses central to the importance of our towns and cities and the development of them. It said that by 2030 everywhere should be entitled to a London level of quality of service. Therefore, we remain hopeful that the bus can fulfil its role, but we need funding. There are discussions about this short-term, cliff-edge problem.

I guess the commercial bus work is a bit like a cake at the moment. It is a very nice cake with all the right ingredients. The bus service improvement plans are the cherries that go on the top. If you do not have the cake to put the cherries on, all you have is a plate of cherries, which is not very appetising. That is why we see it very much as a package of measures that we need to move forward. We need to protect the existing bus network basically by building on it through the bus service improvement plans. We hope that through improved and enhanced partnership working and much closer working there is a better mutual understanding and we can move things forward together in partnership, but funding will be required to fulfil the ambition.

Baroness Thornhill: Mr Vidler, what is actually going to be different?

Graham Vidler: It is probably worth taking a bit of a step back. If I had thought three years ago when I joined the industry for the first time that we would now be debating a national bus strategy, which the industry had not had for decades, backed by £1.2 billion of funding, we would look on that as an opportunity. The challenge now, notwithstanding the fact

that there is not enough funding to meet all that ambition, is how we can make the most of that opportunity.

There are three keys to that. One, as I have said already, is that it is really important that bus services do not go back anywhere this April because of short-term funding decisions that the Government make. Nowhere should see their bus provision moving back this year.

Secondly, it is important that the Government use the money to show what genuine transformation can look like in a relatively small number of places. Clearly, they cannot afford to transform bus services everywhere just yet, so let us focus on a small number of places and show what can be done. That will help to win the case for future funding to transform the rest of the places.

Thirdly, it is important that passengers everywhere in the country see at least some benefit. Government cannot afford to fund every bus service improvement plan substantially, but if you look at some of the common elements that run across those different plans, in almost every plan that I have read—and I am afraid to say I have read most of them—there is a demand for contactless price cap ticketing so that you can travel on multiple buses during the day from multiple operators and be confident that your daily rate will be capped at a reasonable level. That is in almost all the plans. We have given government a proposal to fund the back-office technology to roll it out, which will cost about £15 million to £20 million, and we are piloting that in a few places this year in any case¹. By government choosing to invest some of its money in a scheme like that, which can be done once and can work in all 79 of those local areas, you can make the most of scarce resources in these early days.

Baroness Thornhill: That is really encouraging. Thank you.

The Chair: I hope, in your answers, you will talk a little bit about the consumer as well. Your answers have understandably been very provider-led, which is your problem, but if we are to change this you have to think about the consumer and how we improve life. One of the points that was made at our last session was that you need buses every 10 minutes to make sure that consumers will use them.

Q14 The Earl of Lytton: Thank you both for some very interesting comments so far. Mr Vidler, you referred to common elements in transport strategies. You also used the term “genuine transformation”. Following on from that, I am interested to know what makes a good, viable, well-integrated and, above all, consumer well-supported system. Just to expand a little bit, as you will appreciate from the title of this committee, we are looking at the built environment, and there are certain things that are what they are: our pattern of local government, our pattern of relatively low-density residential development, and the way in which historically our towns and cities have grown.

¹ This funding will cover the back-office infrastructure. An additional £25m would be required to fund the ticker readers on over 20,000 in England outside of London.

Superimposed on that, we now have a situation where we have what are called cowpat developments that seem to be plonked any old where without anybody thinking twice about how people will get from A to B other than in their car, but more particularly a paradigm shift that has occurred with people saying, "Do I really need to travel? Can I work from home? Can I do things differently? Can my shopping patterns be dealt with partly online?" All these sorts of things are affecting it. You guys really have the knowledge. What are the basic building bricks of what we should be looking at? Some things might have to change radically in areas we have not yet thought of, and that is what I am trying to tease out.

Graham Vidler: Inevitably, as this committee will know, the answer will be different in different places. The built environment where I live in York is fundamentally different from the built environment in London, and there are different opportunities and different potentials for your bus and public transport network.

To the extent that we can generalise, the most important thing is that bus services are available. People know where they run from and when they run. You cannot do this everywhere because it simply costs too much, but on key corridors they can have confidence that they can turn up and there will be a bus within a reasonable amount of time to take them to their destination. Within the industry, we tend to use a 10-minute frequency as a turn-up-and-go; people can turn up confidently.

Secondly, once somebody has accessed that bus—so they know there is a bus that goes from their A to their B, and what time it leaves or if it is a very frequent service—it needs to run reliably and relatively quickly. That speaks to one of the other key themes in many of those bus service improvement plans, which is bus priority, and how we can give buses a little more space and a little bit more priority on urban roads. It does not have to be bus lanes. It is often bus lanes, but it can also be things like adjustments to traffic signals—all things that can speed people to their destination and, equally importantly, can give them confidence about the time that they are likely to arrive, which is obviously really important if you have an appointment or you are commuting to work. Those things are really important.

It is also important to make sure that people have information to understand their choices. There has been a hell of a lot of investment in recent years in producing open data, in tracking real-time information about where buses are, and starting to deploy that on apps that people can use in their day-to-day life.

Finally, knowing how much you are going to pay is also really important. Bus fares are quite complex. Interventions such as the one I have described of introducing multi-operator ticketing where you know the maximum you will pay in any given day, whoever's buses you travel on and however many times you travel, can really help to build confidence in that final leg of the equation.

Phil Southall: To add to what Mr Vidler said, we really have to make using public transport and active travel a natural first choice, which is what government said we should be aiming to do. In Oxford, there were bold measures to try to do exactly what Mr Vidler said—to give buses much more priority to speed them up. There was a survey in the summer of 2020 where some really bold proposals were coming forward. It was quite interesting that around 99% of the population responded with, “But I’m now going to have to drive my car out to the ring road because I won’t be able to drive through the city centre”. They did not think, “What alternatives will be provided so that I don’t have to use the car?”

That shows the scale of the journey we have to go on. How do you provide people with those alternatives, as Mr Vidler said: a bus that is fast, affordable, with a friendly driver? You might cycle for some trips; you might use the bus for other trips. It is having a package of measures available for people who have genuine alternatives to make sure that the bus can play its role in our towns and cities.

In new developments, it is absolutely critical that the bus becomes central to them. There is a concept now emerging called a mobility hub, which is about how you make it simpler and more attractive for people to access public transport in a high-quality waiting environment.

The Go-Ahead Group, which is the parent company of the company I work for, commissioned a report with Arup that basically explored what those mobility hubs might look like. In existing environments, it might be something that is just a very high-quality bus shelter with real-time information for customers and a nice waiting environment. Ultimately, with new development, it might turn into somewhere where you put the school, the shops, or you can hire a room for an hour with free wi-fi for flexible working locations while people are waiting for their bus. That sort of development would appeal to make it easier for people to use the bus. People can also cycle in from surrounding areas, or even create mini-park and ride sites. They can be different things in different areas, but the common thread running through it is that it is making it more appealing and more attractive to use buses compared to driving because we have to make it their natural first choice.

If I may add one final point about the working-from-home point, a consultancy called WSP did some work with 200 of their employees about the environmental benefits of working from home. This is probably a debate that has not been fully explored yet. In winter, there is a net disbenefit from working from home because you are heating your home individually rather than collectively in an office. You are cooking your own lunch rather than buying it locally in a shop. That showed there was a net disbenefit to the environment from working from home in the winter but a net benefit in the summer.

On the point that was made earlier about whether avoiding the journey is the right approach, it is only if you genuinely do avoid the journey, because some people mix the journey they make and do multiple things. If it is purely about commuting, I would argue that it is not the best thing

for the environment to work from home in the winter, because you are heating individual homes, not collective offices. There is lots of discussion to be had about what the new normal is, as we alluded to later, because that has to settle down. Companies have to come up with their hybrid working policy and find out what is acceptable, looking at the total picture and not just elements of it.

- Q15 **Lord Berkeley:** I lived in Oxford for 10 years. Regarding your comment about the survey and people not wanting to use the ring road and preferring to drive through the centre, that is because the ring road is always full of traffic. What are you going to do about that? You either ban traffic from the city centre or you build another road around the outside. I am sure you would not want to do that. That is one of the problems, is it not?

Phil Southall: The county council, which is the transport authority in Oxford, believes that most of that congestion is caused by people coming in from the surrounding market towns. Some form of demand management is inevitable to do that. What form does that demand management take? The favoured approach in Oxford at the moment is a workplace parking levy, which has been successfully introduced in Nottingham; it has reduced car demand. Because of the nature of Oxford—a lot of people travel in from outside—that is deemed to be the best approach at the moment.

As Mr Vidler alluded to, road pricing or some other form of demand management might also be appropriate. The reality is that, if the pandemic has created more demand for car travel, that is not good for achieving the Government's policy of net zero. Therefore, we will have to put in some form of demand management, whether that takes the form of road pricing or a workplace parking levy, in order to reduce that travel in.

Our role is to make sure that those alternatives—buses, active travel and trains—are appealing to the wider public for the journeys that they are making. A binary view is sometimes taken that everyone is put in the cycling bucket, the bus bucket or the rail bucket, but the reality is that we need to look at the total policy. Funding does not always arrive in that packaged way; it comes for individual projects. That is where we can make an improvement to ensure that a holistic approach can be taken by local authorities so that they crack the problem and achieve the outcomes of making public transport and active travel the natural first choice, as government wants us to do.

Lord Berkeley: Thank you.

The Chair: I think that brings in Lord Stunell very neatly.

- Q16 **Lord Stunell:** To bring it into focus, the levelling-up White Paper is committing to improving public transport. You have explained that you want to improve public transport, but there are many pressures pulling in the other direction, which we have discussed. Will this ambition be met,

and what are the barriers to meeting it? What about a more reductive presentation that buses cannot form part of the future, because if you are four times more expensive than a private car, the consumer will never make that transition?

Phil Southall: I guess that builds on the point I made in answer to the previous question that the cost of motoring is probably too cheap at the moment. The comparator is not a sustainable position if the Government are to achieve their net-zero ambitions. A KPMG study in 2020 concluded that every £1 of bus investment can deliver £4.48-worth of benefits to wider society. It will inevitably be a different mindset. Where people automatically now think, "I must use the car to go somewhere", as I said earlier we have to make bus travel, active travel and train travel—public transport travel—the natural first choice.

People do look to London. As I alluded to later, the difference in funding is £73 per head in London and £27 per head outside London. The levelling-up White Paper, if we are to get London-quality of service, will require an extra £2.2 billion a year to be spent to help create those good alternatives. It really needs to be focused in three areas: tackling congestion, as we alluded to later; keeping fares affordable so that people can access a public transport system; and, as Mr Vidler alluded to, the integrated ticketing point, where that can be delivered for £15 million to £20 million.

I accept that not everyone will do it, but you can make it the natural first choice. You can simplify it. You can see what you are doing for the environment. Our website and apps tell you how much CO₂ you have saved by not making the journey by car and making it by bus instead. It is very much going to be a slow burn. We have to acknowledge that to achieve the net-zero ambitions public transport and active travel will have to play a greater role in our towns and cities.

Lord Stunell: I am an enthusiast for public transport, absolutely, but I see the barriers as being too high. Is it not the case, especially for the levelling-up areas, that in many of those areas it is the lack of alternatives that means that people are coming in in their cars to start their 5 am shifts and so on? I would be very interested to know. I want to hear a positive story, but there are an awful lot of fairy tales in here, are there not?

Graham Vidler: There are lots of reasons to be optimistic. The success of the public transport mission in the levelling-up White Paper is dependent on the national bus strategy. It talks about many of the measures that were in place through the national bus strategy and bus service improvement plans as the way in which we will level up public transport connectivity. It is undoubtedly true that we will see a movement of public transport services across the country towards what is described as the London standard. It will be very hard, very expensive and perhaps impractical in some areas to get all the way to what is described as the standard, but we will see public transport services improve in those areas.

It is partly about successful implementation of what is in the national bus strategy. As we have talked about, it is about investing in things like bus priority and improved customer information, but it is also about what government does in other areas. Mr Southall has talked about the importance of road pricing and demand restraint. In addition, there is something much simpler, much more immediate and much more cost-effective that government can do. It can simply start telling people that it is good to use public transport. It can simply start communicating a message to counter the message it put out in 2020 that people should avoid public transport, and say, "It's time to get back on the bus, train and trams". That is a really simple, cost-effective way to start moving people in that direction. That will get us started. Then, if you get the funding in to support better bus priority and reduce congestion, you can really have some sustained improvements everywhere in the country, and you will see alternatives emerging in many of the places that require levelling up.

Phil Southall: Can I add one final point, if that is okay? Young people also think differently, as we have seen. Trying to encourage young people to use alternatives by providing really attractive youth fares locally is in a lot of bus service improvement plans. They tell their parents off for not doing enough for the environment, which you may have experienced in your own lives. There are entrenched views now, because we know that it is difficult to take something away that you have always had but, as we try to inspire the next generation that is coming through, they do not think the same. They do put the environment more front and centre of what they think. Over time, we have to hope that we achieve that paradigm shift that was referred to later, where people think differently about their mobility and how they get around.

Q17 **Lord Haselhurst:** It is an uphill job. I think back on my own life. Once I became a car owner I told myself that I was going to be very disciplined and not avoid the walk to work, which was 20 minutes or so. Then the first drenching thunderstorm came and I thought, "I'm going to take the car", or, "In order to get to a squash court before they close after work, I'd better have the car with me". The use of the car builds up.

Maybe the Government have to use negative weapons. The campaign on keeping fuel duty frozen is a very difficult matter politically—it is incendiary—unless you apply that in a situation where there is a more than adequate bus substitute. To me, London is amazing, but smaller places are not. We have allowed edge-of-town developments to take place so that shopping is not just in a town centre. I see an empty bus, or near-empty bus, that trundles between the edge-of-town supermarket and the centre of the town.

Then there is out-of-town shopping. People in my part of Essex, the northern part, south of Cambridge, travel down to Lakeside or Bluewater for that experience, going 60 miles. To break those habits, to limit that choice, you have to have something really shining to be able to overcome it. As I said, I find London amazing to get round.

Would a touch of the whip, as it were, on fuel duty and the environmental reasons for cutting back attract people, or do we need a very simple-to-understand ticketing system where it is second nature that you possess something like an Oyster card that helps you to move around with ease and you become familiar with that? We have to break the flexibility of the use of the car, and I am not quite sure how we can guarantee we will do that.

Graham Vidler: The simple answer is: both of those things. You need those simplifications and improvements to the bus experience such as an Oyster card that will enable you to pay, initially in our plans, for any bus service, but ultimately why not extend that to bike hire to get to the bus stop or at your destination? Why not extend it to train services if you are going on a longer journey afterwards? Those things are really important.

But, as you say, being realistic, there will have to be a very careful balancing between carrot and stick. The challenge is so big and habits are so entrenched that we will need to face into some very politically difficult issues in areas such as fuel duty, parking charges and road pricing, and the way we pay to use the road. All the evidence shows that the only way to manage those is to invest simultaneously in alternatives. We will have to have a programme over the remainder of this decade where people are progressively discouraged from using cars for journeys where they have alternatives, and those alternatives through investment and industry-led innovation are progressively improved so that people want to make that choice of the alternative and feel good about it. We cannot do it by carrots alone or by sticks alone; we will have to combine the two very carefully.

Phil Southall: I would agree with what Mr Vidler said. We also need to see how innovation can help us. Mr Vidler is absolutely correct in that it is a mix of sticks and carrots. We should not give up either. What is the alternative? If we look at Oxford's park and ride system and the general high quality of public transport, on a typical weekday pre-Covid, 55% of people came into Oxford city centre by bus versus 65% at the weekend when there were more tourists about, because obviously there are more at the weekend. That compares to 7% in High Wycombe, which is another area that I operate buses in. That just goes to show you the difference that you can achieve if you put the effort in and have a bold policy to achieve modal shift.

The problem is that we cannot correct the planning errors of the past, and we have to acknowledge that, but we have new ways of delivering that demand than we traditionally had. Demand-responsive transport is one. It depends on what the exam question is how about useful demand-responsive transport is, but it is a tool in the toolkit that can be used to solve some of those problems. Even in Oxford, we have excellent bus services on the routes that go hub and spoke into the city centre, but the connectivity to go around the ring road, as we alluded to later, is less developed, and that is where demand-responsive transport can help. That is where it needs some funding to get started, just like any other bus does. It probably takes about five years for a bus to start from nothing

for it to become commercial, and demand-responsive transport is no different.

We started a pilot in Oxford back in the summer of 2018. Unfortunately, we had to finish it in the summer of 2020, but it was only going to be a two-year pilot. It is the most successful, demand-responsive transport scheme in the country. It had 38,000 users and on average there were 400 trips a day. What we learned from that was that that sort of scheme probably needs to generate about eight passengers per bus per hour for it to be commercially viable, and we achieved about five to six. The reason it fell down was that there was a lack of government support for that type of service at the time and we could not raise that locally. There was a lot of interest from businesses. The fares had to be pitched slightly higher than on the normal bus network, but people accepted that because it was a bit of a hybrid fare between a bus and a taxi. We achieved 50% cost coverage after two years, which was a really good result. The problem is that, because Covid then hit, it put the pilot back a bit.

Demand-responsive transport can play a role in meeting those more orbital demands, or if you have business parks or retail outlets that have been put in the wrong place due to historical planning errors we can have those solutions now. Where does the funding for those come from? It could come from central government in the form of bus service improvement plans or through the levelling-up agenda, or it can be raised locally through demand management, workplace parking levies and that sort of thing. It is a tool in the toolkit to deliver that connectivity if you have the vision and the bold policy approach, as Oxfordshire has, to remove one in four car trips by 2030.

Q18 Baroness Bakewell: Can I examine what you meant by transformation? I was very interested, Mr Southall, in what you were saying about the journey. I am coming at it as a consumer and as someone who is old, and the population, of course, is ageing. What persuades me to take a bus journey?

One ought to examine every element of the journey itself. Take, for example, bus stops. No bus stop should expose you to the rain or to standing and waiting for a long time. It is obviously going to be easier if you are protected from the rain and you can sit down. Why could the culture of bus stops not be developed even further? I am thinking imaginatively. For example, old telephone boxes are often used by people in villages to put books in for book swapping. The culture of a bus stop could be worth visiting in itself.

Then there is the access and the design of the bus. Do buses have to be so big? Do they have to have steep steps? That kind of thing matters very much to the disabled, of course, but also for women who are trying to grapple with children.

What about the ease of paying? We have dealt with cost. We know about cost matters, but the actual ease of paying matters. I have a freedom pass, so I just use that. Where you sit and how matters. I think the

quality of the journey should be part of your life enjoyment rather than dead time between A and B. It should be something that you enjoy. You should not be tussling with too many parcels that burden the person next to you. There should be a way of coping with it. I am interested to know how possible you think any of these things are.

Graham Vidler: They are all very important and they are all eminently possible and fixable. If we start with the bus journey itself, it is fair to say that it has improved hugely in recent years everywhere in the country. The quality of buses not just in cleanliness and safety but in some of the facilities you have on them has improved hugely. You can pay by contactless on more than 95% of journeys now. Most buses have wi-fi available and USB charging—things that would not have been thought of three or four years ago. Those are all hugely important things, and we need to do more to make sure that people are aware of them, because if you have not been on a bus for five years you would not know about those things, would you?

You are quite right to say that it is also the experience of getting to the bus and finding out information about it. Improving bus stops is a common feature in many of those bus service improvement plans, and rightly so, because they have been allowed to get shabby in many places in recent years. Again, it comes down to a combination of funding—you need some money to improve them—and ingenuity, as you suggest. If you can make the bus stop into something of an experience in itself—a virtual art gallery where you have pictures on display, for example—it might get people talking about it and more willing to engage with it.

It is really important that we look at the journey all the way from finding out information about when and where buses travel through to getting to the bus stop, having a safe, comfortable, maybe even enjoyable experience while you are waiting a few minutes for your bus. With regard to the bus itself, we will continue improving them, but there has been a hell of a lot of investment in recent years to bring up their standards.

Phil Southall: A lot of points have been raised. I will try to address them all briefly. We have to recognise that investment in bus stops and bus stations has been neglected over many years and the waiting environment for some customers is woeful. We have to acknowledge that. That said, it depends how historically it has developed over time. In Oxford, you only get a bus shelter where it is in a prominent advertising position, because those shelters are provided free of charge to the local authority because of their location. If you are not in one of those prominent locations, you do not get a shelter because that has been the policy of the local authority. It is also important to say that generally bus stops and bus shelters are provided by local authorities; they are not provided by bus operators.

Baroness Bakewell: The best location for a bus stop is just outside a cafe.

Phil Southall: That is exactly right. That is what builds on the mobility hub concept that I referred to. It is trying to create that high-quality environment that is nice and attractive—it might even be heated—where using the bus is a very positive experience, which a number of customers do not feel at the moment. It all depends on the local authority's strategy for providing those waiting environments. Clearly, as we move into the enhanced partnership regime from 1 October, the conversations about how we work genuinely in partnership to improve that waiting environment can probably happen more positively, because it is an important and understated part of the journey.

All buses now have to be low floor so that people can get on with wheelchairs and pushchairs. Particularly where we are, we make sure we have a dedicated space for each to reduce the conflict between wheelchair users and pushchairs because that has been a problem over time. We should certainly now be entitled to get on the bus with no steps. We try to design the buses to minimise the steps, certainly on the lower deck or on single-deckers, because people struggle to get up them. We try to create that high-quality environment.

Things like the ZEBRA scheme—the zero emission bus regional areas scheme—which certainly Oxfordshire has made a bid for, as have many others, where you are trying to invest in a number of buses at once, give you a chance to revolutionise and transform, as we referred to. If you are putting a lot of buses in at once, you can put high-quality interiors in rather than do it on a route-by-route basis, which is a common approach in the bus industry because that is all you can afford to do on an iterative basis. If you are doing it wholesale, that is where you can have transformation where people notice that things have happened over a shorter period of time.

The point about the one pass is very interesting. Rather than people having to think about what fare they need to ask the bus driver for, that could be done in what we call the back office. All you do is tap, tap, tap. The Go-Ahead buses all have 100% contactless now. I know many other operators also have contactless payments. How do you make the back office smarter? As Mr Vidler said, we could have multi-operator contactless ticketing for £15 million to £20 million. In a city such as Oxford where a customer might get on my bus and tap their pass, they might get on a competitor's bus on the way home and they still want to have the best fare that is calculated in the background. That is what the multi-operator ticketing scheme would do.

We have had a multi-operator ticketing scheme in Oxford since 2011. It is not based on your bank card but on a smart card. As we now need to transform the buses, instead of saying to you, "You have to have a special card that you need to access the bus network", we are getting smarter and saying, "You don't have to have an extra smart card. You can use your bank card that's already in your wallet or your purse". You just tap away—tap on when you get on the bus, tap off when you get off—a bit like you do in London, and that will calculate your best fare in

the background, which will make it easier for people to access the bus network. That is what we are hoping to deliver over the coming years.

Baroness Bakewell: Just as a matter of fact concerning Oxford, do you have someone delegated to be thinking imaginatively about the future and design and how it could be improved—some invention coming out of the blue, rather like e-scooters did—that will transform the bus nature itself and its culture?

Phil Southall: Absolutely. As I said earlier, the enhanced partnerships come in from 1 October. In Oxford, and I am sure in many other places, we will be setting up an Oxfordshire bus board, and sitting beneath that bus board there will be a number of working groups that will focus on the areas that matter to the customer. One of those will be the waiting environment, the buses themselves and what can be done. Particularly if the ZEBRA bit is successful, you can achieve a lot of things by making a big investment all at once and therefore deliver that benefit quickly.

Obviously, that has to be matched by the local authority having the right policies in place to do what we said later—speed the buses up and make sure that the ticketing is attractive. It is a package of measures, and the opportunity is there, but the funding needs to come through to make sure that we can realise that ambition. It is iterative ordinarily, but there are opportunities with the bus service improvement plans, as Mr Vidler alluded to, to make that genuine transformational change in a small number of places to see what can be achieved.

Baroness Bakewell: Of course, Mr Vidler's problem is getting this improvement and this continual development known to the public who are all sitting in their cars in traffic jams.

Graham Vidler: Yes. It connects to a point I have made a couple of times that one of the most cost-effective, simple and immediate things we could do in partnership with government is to let people know that buses are here, that they are safe, tell them about some of the features, and highlight some of the benefits that you probably will not know about if you have not used a bus since you were a schoolchild. That is a really important element of this and one that does not need to cost much money. We really need to focus on it.

If I could add one other point on your question about innovation, it is also something that we try to do as a trade association nationally, to try to encourage our members to share and come up with better ideas. For example, later this year we have a workshop on use of data. As Baroness Neville-Rolfe will know very well, you can use data in a retail environment to completely transform and improve the customer experience. We collect a lot of data about where our buses are, what our passengers are doing and where they are travelling. How can we use that in order to improve the customer experience further?

Baroness Bakewell: That is a very good point, is it not? Thank you.

Q19 Lord Grocott: Turning to competing forms of urban transport, one of the really surprising elements of the last 10 or 15 years in urban transport has been the development of light rail in a number of cities. I know you are speaking from the perspective of buses, but I would like your take on this, because it seems clear to me that light rail is developing. It is encouraged by the Government in a number of different places. Existing systems are expanding. Do you see light rail as a competitor or as a mode of transport that you can work with constructively?

I know every city is different, but it is quite surprising, at least to me as a layman, why they have developed in some cities and not in others. Do you have any insights on that? I live in the Midlands. You have it in Birmingham, Manchester and Nottingham, but you do not have it in Derby, Leicester or Stoke. I do not know what the rationale for that is. Neither do I know the rationale for the economics of the two forms of transport, particularly as we are talking so much about climate change and environmentally friendly modes of transport. Can you illuminate that area of public transport, which to me is interesting but at the moment unclear?

Graham Vidler: I am not an expert on light rail, I am afraid. What I can tell you is that we do not view it or any other form of public transport as a competitor. Our competitor is the private car. Bus travel can be complementary to rail travel, light rail travel, walking and cycling. It is really important when local authorities are developing their holistic transport plans that they think about these things in the round; they think about the respective merits of light rail and bus; and they think about modes that are a little bit of a bridge between the two.

In Belfast, there is a bus service called Glider that looks like and has many of the characteristics of a light rail system, but it is a bus. It is just that they have invested in doing things like turning the bus stops into something that looks more like a platform. The bus travels like a normal bus along roads. One of the things that the national bus strategy says is, "Can we have more of those sorts of services in England?" That will probably be a good idea in the right places. I am sorry that I cannot answer your question specifically about the economics of light rail, but it is important that we and local authorities view them as part of a potentially complementary mix.

Phil Southall: I can add a bit, because we have looked at light rail in Oxford. The biggest barrier, being very blunt, is that we worked out that it was £34 million per mile to construct. When you evaluated what you could do with a bus network for that level of funding, there was much more of a business case to invest in and improve the bus network in Oxford.

As Mr Vidler said, we do not see light rail as competition. In fact, the way I view it is that you almost need to build the business case. If you are looking at opening a rail line, you need to prove that the demand is there before you go for the options that are more towards the other end of the scale. What I try to encourage locally is seeing whether there is demand

for bus services to start with. If you cannot move the people efficiently enough, you might look at the sort of system that Mr Vidler referred to—the Glider system—where you are getting people on to a mass-movement vehicle. Ultimately, if you still cannot move people efficiently, that is when light rail and the business case for it becomes more established. I would see it as an iterative development of a business case. Ultimately, light rail might become heavy rail and so on.

Going straight to light rail is not often the best option, because a lot of the schemes that came forward in places such as Birmingham, the West Midlands and Sheffield had other reasons for them to come along, and it was not necessarily all demand driven. It depends on local priorities for the local areas where those systems have been introduced. That is why we would very much encourage that. For example, guided busways, which are a step short, such as the ones that have been introduced in both Dunstable and Cambridge, have achieved good modal shift by providing the things that we said that buses need. They are attractive journey times and it is easy to buy a ticket. Therefore, it is seen as an attractive alternative for people to get out of their cars and on to public transport, and it makes it a natural first choice. I do not see it as a competitor, but building the case for it is very difficult compared to what other options are available. Buses are a really good, cost-effective way of delivering that alternative for people to get out of their cars.

Lord Grocott: Presumably, the cities that have made this decision, and seem to be doing so progressively, will be well aware of the costs that you have referred to about building a light rail system but nevertheless are going ahead with them and developing them. There must be some impetus there. You mentioned in your earlier remarks the environmental advantages of buses over cars, which we can obviously see, but maybe there are strong environmental cases for light rail as opposed to buses. Perhaps you are the wrong people to ask, but the plain fact that this has developed, and is developing, and more cities are taking it on, suggests to me that there is something that we have not quite yet clocked about the advantages. There is no sign of them closing in the cities that have established them, at least that I am aware of. It is an interesting area of inquiry. That is all I can say.

Phil Southall: I do not know the figures exactly, but West Yorkshire and Leeds have looked at this most recently. From memory, and I might be wrong, about £273 million is needed to realise the system that they wanted. When they looked at the value for money element of that, it was decided that you could probably achieve the same outcomes investing in better buses, basically. It is a menu of options, and different priorities will exist in different local areas. As to value for money, particularly the way government funding is at the minute, that evaluation will come into what local areas can build a business case to do.

Q20 **Lord Carrington of Fulham:** I want to explore the competing use of road space. My experience is purely in London. I have been to Oxford, but I am not an expert on anything like that. I use London transport all

the time. One of the great problems with the modern attempt to try to encourage people to use personal forms of transport—I am using particularly your expression of bicycles, scooters and all the other things coming forward that people are using to get around as personal forms of transport other than motor cars—is that they are taking dedicated parts of roads. You get bicycle lanes, but you also get the sheer volume of other road users such as delivery vehicles.

You talked about young people changing their attitudes towards environmental aspects of transport away from the motor car, but one of the consequences of that has been that they have moved to people making deliveries to them all the time. Consequently, you get vans going round, which you never used to even five years ago. All that is taking a defined amount of road space, which cannot be increased, from buses. At the very least, it is slowing down buses.

How do you get that balance right? How do people doing policy on this get the balance between people being encouraged to keep fit on their bicycles or being encouraged to be environmentally friendly by using electric bicycles and electric scooters as opposed to taking buses and the buses becoming slower and slower?

Graham Vidler: There is a short-term and a longer-term answer. In the short term, it is all about integration at the local authority level. Local authorities will all have their own local transport plans and their priorities. What is really important is that they deliver on those priorities in a joined-up way. Over the last couple of years, local authorities received funding for active travel before getting it for buses. That meant in some cases—by no means all—they invested in temporary bike lanes, which in some cases removed bus lanes altogether and in other cases interfered with their operation. That is an example of how not to do it.

The right way to do it is to create shared space that buses, cyclists and e-scooters can use effectively. As Mr Southall said, you can even envisage—and Go-Ahead is starting to invest in this—scenarios where you create mobility hubs that bring those modes together. In the short term, it is important that local authorities who are making most of the investment decisions here do so in a joined-up way.

In the longer term, we have to come back to the question of road pricing. People talk about the potential £35 billion loss of fuel duty and road excise duty as being a huge challenge, which it is clearly, but it is also an opportunity to charge for road space in a more equitable way in line with the Government's broader environmental and economic priorities. You can envisage moving to a situation where people are charged not a flat rate but according to the place they are using a road, the time of day they are using a road, and the availability of alternatives. You would start to see things like single-occupancy travel in a car becoming a little bit more expensive, particularly at times when road demand was higher. You might see the same effect for some of those delivery vehicles, and those costs might have to be fed through to consumers.

There is a real opportunity there to use a market mechanism to set road pricing so that it encourages mass collective transport and encourages walking and cycling—there are huge environmental advantages there as well—and discourages and charges more for single-occupancy or low-occupancy motorised transport.

Lord Carrington of Fulham: I do not mean to interrupt, but taking the logic of what you are saying about road pricing, and clearly something along those lines is almost inevitable given the electrification of motor cars unless they find some other way of doing it, if you are pricing road usage you should be charging people to use their bicycle because they are using the road as well, in which case you have to change the whole mode of how you identify who cyclists are. That comes back to the safety of cycling as well. Are you suggesting that, or are you not?

Graham Vidler: Not at all. It depends on the hierarchy of travel choices that you are trying to implement. In fact, government already has this hierarchy; it just does not implement it consistently. The hierarchy should be: walk or cycle where you can; for journeys where you cannot, use public transport; and, when there are no alternatives available, use your car if you have access to one. If you have that hierarchy in mind, you are not going to want to charge the least environmentally polluting forms of transport. I see your point about logic, but that is not at all what I am advocating.

Lord Carrington of Fulham: One of the other aspects of that, which is also quite interesting, is that if we are encouraging people to use personal forms of transport like bicycles—and they are by no means the only ones coming forward; in London, particularly, e-scooters, legal or illegal, are getting to be a serious problem now—you will take road space away from buses inevitably because you cannot not do so. Should you not be discouraging people from using personal forms of transport and encouraging them to use buses as being the most efficient and cost-effective way of getting from A to B?

In other words, the whole policy is wrong. We should not be encouraging people to use bicycles and personal forms of transport because a myth has grown up that it is healthy and good for you and all the rest of it. I guess it is for some people, but not for people like Joan Bakewell and me. We ought actually to be saying, "Don't use your bicycle in urban areas. Use buses".

Graham Vidler: I do not think that is right. There are advantages both to the individual and to society of using bikes, just as there are of walking, and I think that bike travel and walking can co-exist very happily with bus travel. It just needs to be thought about in the round, as it is in many European cities, and local authorities need to implement the three modes in partnership and in harmony rather than at different times in different ways.

Lord Grocott: The "in harmony" bit rang a bell as far as I am concerned—or a discordant note, I should say. Is it in harmony when, for

example, a bus stop is in between the road where the bus stops and the cycle lane with cycles going in both directions on the cycle lane? I have no accident statistics or anything of the sort, but it seems to me an inherently problematic layout of different modes of transport. Have you come across that in Oxford or in other parts of the UK?

Phil Southall: Turning to the original question, there are difficult choices to be made. I guess it comes down to whose road space it is. The answer is that it is the residents' road space. It is building the case for how you want that road space to be used. We have a real-life example in Oxford at the moment where you have two roads that are virtually parallel to each other—Woodstock Road and Banbury Road. The approach is to try to put dedicated cycling on one route and a bus rapid transit route on the other, so there will be some movement between the two corridors.

The problem at the moment is that it is predicated on the cycle route. It is predicated on moving the bus into the general traffic to create the cycling route, because the premise of it is that cyclists get in the way of bus drivers and therefore it is not very attractive. My argument is that that is better than being stuck in the general traffic lane with the cars. Political priorities will have to be made, but ultimately it is about how you make smarter user of the road space to have both bus rapid transits and cycling corridors on different routes. There are quick ways and quiet ways that Oxfordshire is delivering at the moment.

To answer the point about bus stop design, when we have gone through that corridor, we have co-designed the schemes as bus operators and cycling groups with the local authority. Where you have bus stops that are in the way due to history, we have said, "Let's move that bus stop there". You get things like floating bus stops where cyclists can go round the back of the bus stop. There is different urban street furniture that you can now put in to make the schemes attractive to the broadest range of users as possible. Ultimately, if your road space is scarce and you are trying to move the bus into the general traffic, that is where the strategy falls over. In Oxford, they have bold plans in the form of something called Connecting Oxford, which is putting in five traffic filters—three in the city centre and two in the orbital routes—to try to reduce through traffic, a workplace parking levy and a zero-emission zone.

The problem we have, just to repeat a point I made earlier, is that the funding for all these things comes in different buckets. When you are trying to make a holistic change of trying to join things together to achieve the outcomes that the local transport plan wants to achieve, funding arriving in different buckets is not helpful. At the moment, you have to advance a cycling scheme that will penalise buses because you cannot align the bus bit up with it because the funding come through bus service improvement plans, whereas the emergency active travel funding came earlier. Therefore, in the short term, you might have to penalise buses before you can improve the situation later because of the way funding arrives. It is a really big challenge. That is where devolved

funding for longer periods of time to local authorities to achieve outcomes in terms of government policy will be really helpful.

The Chair: Thank you for that. If you have some research on the impact of some of these choices, we would be very interested in it. When I had the first of my four children, I was told by my husband to abandon my bike, which I used to use everywhere, and I have never gone back, but I have nearly been killed twice in bicycle lanes trying to cross the road. There are real issues about the use of the road and doing that safely, which we have obviously seen with e-scooters as well.

Q21 **Lord Best:** Thank you for all those contributions. I am making the link to the built environment—the Built Environment Committee does that—and to the developments that we are now building and will build in the future, and the role of planners and the role of housebuilders and developers in trying to create the circumstances in which people will not be required by the geography to use their own individual cars but will use buses. At the moment we are failing absolutely miserably. Most of the development is out of town. Cowpat development was a good one from the Earl of Lytton, where your only choice is to use your car.

We will build about 3 million homes in the next decade or so. There will be about 5 million cars parked on them. How can we change this approach to create more use of public transport and less use of the individual private car? I am looking at the planning system and how it can have some teeth and make things different, and I am looking at the housebuilders and how we can make them, if necessary, do the things that they ought to be doing and are not doing.

Graham Vidler: That is a great question and thank you for raising it. It is something I see in the local environment in York where I live. I see out-of-town housing developments where you cannot even get a standard-sized bus into the development, let alone attract people to use it.

It speaks to a broader point. We have talked a lot about the national bus strategy and levelling up transport services. You cannot do that by measures that affect buses alone; you have to look at the broader planning system and the broader hierarchy of transport choices that the Government want to put in place.

If the Government are serious about having a hierarchy of transport choices that say that you walk and cycle if you can, you use public transport where you cannot, and you use a private car as a last resort where there is no alternative, that needs to flow through into things like planning guidelines. I am not a planning expert, but that would lead to developments of a certain scale and certain density such that they could more easily support a public transport service, quite apart from the fundamentals of making sure they are designed in such a way that buses can never go through them and that there are suitable bus stops for people to access. It is a really important point, and it is something that urgently needs to be considered as part of the mix here.

Phil Southall: Section 106 contributions, which I am sure this committee knows about, are there to mitigate the impact of the development on the wider world. Where I get frustrated as a bus operator is that sometimes the approach of the developer can be quite material about how attractive the bus is. Roads through developments need to be 6.75 metres wide to allow two buses to be able to pass each other. If people are buying houses and want to park outside their house on the road, that needs to be considered as well. We have a number of developments where that has not been thought through.

In terms of the current planning system, the local transport authority is not always the same as the planning authority. I have that issue in Oxfordshire. When the local transport authority comments on the planning application, it is not often fully informed, shall we say, and as bus operators we do not get spoken to as much as we should about what we need from these developments to make sure that the network we are developing is sustainable. There is a tendency to look in isolation at planning developments as they come forward, whereas we as bus operators will be looking at a network approach to say, "How can we knit together different pockets of demand to create a commercial bus service?"

Therefore, when a new development might come along, alongside another one, we say, "Actually, we need to penetrate between both developments to be able to serve two developments with the same bus service". Quite often, you will find a brick wall between the two developments, and you cannot get through because the planning authority has thought that one bus will serve that estate or development and a different bus will serve that one, whereas in reality, to be efficient, you would want to use one bus to serve the two and make sure that you can get through. Sometimes that conversation does not take place. I believe there should be an obligation on the developer to consider how you will grow public transport use. Those conversations can be had before the developments are given planning permission, because sometimes the commentary on the importance of the bus is somewhat lacking in those planning applications.

Lord Best: Mr Vidler, as a York resident, have you visited Derwenthorpe, which is a development I have responsibility for? Serious efforts have been made there to try to encourage the use of the bus rather than the private vehicle, I have to say with limited success. They were really serious efforts, including a free bus pass for a year to give people the chance to use the bus and get into a new habit when they moved into the new houses. Do you have any comments on that particular development, which has been trying hard to get this right?

Graham Vidler: It is an excellent example of urban planning that facilitates bus use, as more than a century ago was New Earswick, the village built locally by Joseph Rowntree. Both are built at a scale and in a way that facilitates bus travel. Passenger numbers from Derwenthorpe have improved a bit recently, but, as you say, it has not been the success

that was hoped for or was embedded in what was a very good piece of urban design.

Phil Southall: The efforts that the developer puts in to encourage people on to public transport are quite fundamental, because the Section 106 contributions quite often might reduce over five years. The idea is that, as those contributions get reduced, you generate more patronage to replace the revenue that you are getting through Section 106. Sometimes you can achieve a commercial bus service after five years—as I said later, it takes that time to build a service—if the developer is working with you to get people on to buses to do the welcome packs, the taster tickets, the “Try the bus free for a month. Give us some feedback”. If you do all those sorts of things, you can get genuine use of public transport.

If other developers do not do anything, once the Section 106 money runs out after five years, the bus service disappears because there has not been enough effort to generate patronage from that development. It is a real mixed bag around the country, which is why there probably needs to be more onus on developers working with bus companies and local transport authorities to make sure that as those Section 106 contributions reduce they replace it with generated patronage, because that is a real problem where the developer does not work with people like me to grow that patronage.

Lord Best: Thank you.

Q22 The Chair: We are just about to finish, and others may have some questions. I had a question on funding, which is obviously very important. You mentioned that there will be competitive tendering, essentially, for the plans. There will be choices made. Do you think that is a good approach, or is there a problem that a lot of authorities will waste a lot of money putting plans together? Are there changes in the way that public transport is funded that could help us to get to the right outcomes?

Phil Southall: As I alluded to, the way that funding arrives is not often helpful to achieve outcomes that local authorities are trying to achieve. The ambition that has been shown in the bus service improvement plans is really admirable. It is good that local areas have looked at what will work in their areas to make sure you can improve buses. It is definitely not a one size fits all. What is important in Oxford might not be the same as what is important in Burnley and York.

It is how that ambition will be realised. We know that the current £1.2 billion is not going to be adequate because we know from the 53 bus service improvement plans that have been analysed that they add up to £7 billion to £8 billion. I alluded to the fact that the funding gap between the London quality of service and that which exists outside is £2.2 billion a year. Inevitably, it is how we can work together to identify where that funding will come from to realise that ambition.

It probably will be iterative. As Mr Vidler said, for the contactless ticketing, £15 million to £20 million might be a good place to start

because that will have a big impact on everybody, even if the initial funding is focused on a relatively small number of places where you can see that transformation.

We have to hope that if you can put the money that is available, the £1.2 billion, into a relatively small number of places and show what transformation can look like, that will give government an incentive to say, "Look what can be achieved", particularly with regard to modal shift, making progress towards the net-zero target, to find more funding potentially as part of the levelling-up agenda, and to transform bus services across the country. We will have to look at it iteratively. It would be really helpful, as I said earlier, for funding to be lumped together to come to local transport authorities to make sure they can achieve the outcomes working in partnership with us through enhanced partnerships. That, for me, would be helpful.

The Chair: Mr Vidler, do you agree? Are there some ways that you can improve value for money, because clearly there are not infinite amounts of money? Can we bring the private sector in more on ticketing where they have innovated a lot, and that has been picked up in London?

Graham Vidler: Absolutely. In relation to bus services themselves, the issue is really about the quantum of funding that is available relative to the ambitions set out in the national bus strategy and the bus service improvement plans. The issue is not really how that money gets channelled; it is whether there is enough money in the first place.

You are absolutely right that the best way to secure taxpayer value for money is to leverage the private sector and commercial operators that have a built-in incentive to maximise passenger numbers and efficiency. That is one of the reasons why it is so important to provide that bridging funding that both Mr Southall and I have talked about from April this year to enable us to build to a higher new normal, where you have more commercial services that can stand on their own two feet and less need to come back in future years with local authorities tendering for those same services, which will cost at least as much money but will be a much more cumbersome process and will not have that built-in incentive to improve and to attract more passengers.

Q23 **Lord Carrington of Fulham:** I have question, which my wife asked me to ask.

The Chair: It is very topical at the moment.

Lord Carrington of Fulham: It is very topical at the moment. It is about safety on buses, particularly late at night. There is quite a big disincentive for people who are vulnerable or feel themselves to be vulnerable—for this purpose, women fit into this as well—to travel back late at night on buses with the driver in the front and an unknown, possibly drunken, number of people in the back of the bus. It greatly reduces the willingness of people in that situation to use the bus. Consequently, they take their car because they do not want to take the

bus back in the evening. Is there a way round that? In the old days—I have lived in London all my life—we used to have bus conductors, and they kept discipline on buses, and on late-night buses. Drivers cannot. Should we not be doing something with late-night buses to make them safer if we will try to encourage people to use them rather than the motor car?

Phil Southall: All our buses are fitted with CCTV. You can argue that it is putting it right after the event, and it does not change people's confidence to use buses and their impression of safety. It is very rare, actually, for an incident to happen on a bus—

Lord Carrington of Fulham: It is the fear of it.

Phil Southall: —but, at least when something does happen, we have the evidence to work with the police, and we have had a number of successful prosecutions by having that evidence available. It is really about the environment on the bus. We alluded to what would create a luxury experience in bus travel. The more we can make it feel inappropriate for people to commit offences on buses, although it is very rare as things stand today, if you can create that more friendly environment for people, that, for me, would be a way of creating that environment of safety. Again it is very rare these days, but going back many years you would have graffiti, etched windows, and things that created a feeling that this environment is not safe to travel in. I think you will find that, if you travel on the bus now, that is not the case. Where you get vandalism, it is put right very quickly.

We have tried to work on bus interiors to make sure they have a welcoming environment with tables, face-to-face seating as well as standard seating, different seating for different family groups, and that sort of thing. That gives confidence that the environment is much safer, but I agree that it is about building that confidence and perception of safety.

One of the things we do in Oxford is create safe havens. If people are a bit concerned, feel they might be followed or feel that there is a bit of a threat, we have places where people can go to seek assistance before they get on the bus. All our buses—and I know many other operators are the same—have two-way radios. If somebody presents themselves to the bus in distress, which does happen, our drivers can seek police assistance through the two-way radio system that is fitted on to the bus.

There is no one single thing. It is a package of things that will build that confidence. When people give it a go, quite often they think, "Actually, this is not as I remember it many years ago", because things have tried to move on and they are much safer. Because that CCTV is there, anyone who is thinking of committing a crime knows that they are likely to be prosecuted. That in itself provides a further barrier to people doing things on buses that they should not. As I say, it is very rare indeed that you get any crimes or unrest on our vehicles.

Graham Vidler: I have nothing to add. I would say the same as Mr Southall.

The Chair: That draws our hearing to a close. Thank you very much for your openness and for all the information you have given us, and indeed the follow-up information you have promised us.

With regard to good practice, you talked about the bus that went round the edges of Oxford. These kinds of things are extremely useful. In our reports we like to put examples of good practice as well as holding up what needs to be done. So any further evidence would be extremely welcome. Perhaps you could get in touch with the clerk about that. Thank you very much indeed. That ends our public session this morning.