

# Transport Committee

## Oral evidence: Mobility as a Service, HC 590

Monday 11 June 2018

Ordered by the House of Commons to be published on 11 June 2018.

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Members present: Lilian Greenwood (Chair); Jack Brereton; Ronnie Cowan; Huw Merriman; Luke Pollard; Iain Stewart; Daniel Zeichner.

Questions 230 - 309

### Witness

I: Jesse Norman MP, Parliamentary Under-Secretary of State, Department for Transport.

Written evidence from witnesses:

- [Department for Transport](#)



## Examination of witness

Witness: Jesse Norman MP.

**Chair:** Good afternoon, Minister. Thank you for joining us.

**Jesse Norman:** Good afternoon, Ms Greenwood.

Q230 **Chair:** For the benefit of our record, would you introduce yourself?

**Jesse Norman:** I am Jesse Norman. I am the roads Minister, including the future of mobility and Mobility as a Service.

Q231 **Chair:** Why is the Department for Transport interested in Mobility as a Service? Which of your transport policy aims does it best support?

**Jesse Norman:** Thank you for giving me a chance to talk about this very interesting issue, and thank you for launching this inquiry that bears on a lot of topics that we are thinking about ourselves. I have already benefited from reading the oral testimony that has been given to you so far. I know that my officials are looking very closely at some of the written materials that have been sent in.

From our point of view, Mobility as a Service is interesting for a series of reasons. One, of course, is that it represents an important change that we are seeing in the market for services in transport as we speak. That has already been highlighted to you in testimony from Transport for London and others. They already regard it as a reality for them. We are always interested in breaking developments and the changes that are under way in the system.

We are also interested in it because it is part of a bigger picture for us of what we are calling the future of mobility. We have this big thing called the future of mobility grand challenge, which we have launched and on which much work will be done over the year. That, of course, means we have a strategic issue in thinking about how it relates to how mobility as a whole is changing over time. It may be autonomous vehicles, other forms of service or the development of different kinds of infrastructure, and trying to reconceive that with some of the open-ended spirit that you have shown.

The other reason is that it poses threats and concerns that we need to be aware of and to address. As with all potentially disruptive change, there will be winners as well as losers. Therefore, I am very concerned about whether it can be used to advantage the disabled or whether it will have the effect of marginalising vulnerable people, especially in rural areas. Of course, I am also concerned about some of the other issues you picked up in your hearings, notably the question of whether it may end up stimulating or encouraging unhealthy behaviour because people use different forms of mobility rather than walking and cycling. As you know, I am a big advocate of walking and cycling, as I know you are, Ms Greenwood.



Q232 **Chair:** How do you think it fits in with the Government's walking and cycling strategy?

**Jesse Norman:** It can fit in very well, potentially. Let me give you an example. There is always the mistake that people potentially make—I know that you do not make it but it is worth putting on the record, and it has been warned about before—of confusing Mobility as a Service with an app or a series of apps, but let me take an app, because that is a useful way of thinking about it.

Citymapper gives an integrated perspective of how to make journeys across London, and they include Boris bikes. That is a useful contribution to encouraging people to get on a bicycle as part of an integrated approach to their journey. I do not see any reason why that should not be emphasised more in other things to come forward. There is obviously a correlative threat the other way: "Look, you can get yourself a taxi service at an inexpensive cost," and therefore you will not walk to the train or bus station.

Q233 **Chair:** Do you think that might be in the interests of the Mobility as a Service operators? They will potentially earn a commission from the work that they push to transport operators. Is there, therefore, potential for them not to push people in the direction of walking, where nobody makes any money, and cycling, which is a relatively low-cost option? How will you make sure that that does not happen?

**Jesse Norman:** At the moment, we are still very much in the realms of the hypothetical. If I were to enter a caution in the deliberations of the Committee, it would be that we are at the very beginning of an enormous series of changes that will last several years and potentially transform many aspects of transport. I would be a little bit nervous. I would encourage officials—although they do not need much encouragement in this area—to spend a proper period of time listening and thinking about what we are doing rather than wading in.

As a theoretical matter, it is certainly conceivable that a paid app, or a paid systems integrator or Mobility as a Service provider might end up with financial incentives nudging people away from walking, cycling and other low-cost healthy forms of transport and towards paying alternatives. One would have to see in the market as to whether or not that was being more than outweighed by competition or other forms of transport.

Q234 **Chair:** It could be the opposite. It could incentivise them to encourage people to walk and cycle because then they would not be paying anything.

**Jesse Norman:** That is precisely the point. We do not know, and there is tremendous scope for trying, testing and learning.

Q235 **Chair:** You have already spoken about the Government's Future of Mobility challenge in the industrial strategy, and the emphasis that places



on autonomous and electric vehicles as part of the future of transport. How do you think the development of MaaS can effect that strategy for connected and autonomous vehicles? How does it fit?

**Jesse Norman:** Again, these are enormous issues. We are at the very dawn of a process of public deliberation and thinking about them. Since Mobility as a Service works by integrating different modes of transport into a single journey offering, or collective journey offering—it might be subscription—you can imagine that autonomous vehicles could play directly into that as a mode of transport in the same way that a taxi would now, for example. Of course, that only scratches the surface, because an awful lot will depend on how those autonomous vehicles are owned and regulated, as well as any charging that relates to them. It is not going to make very much difference to the person who is facing the choice between walking and cycling on the one hand and taking a form of transport, if it is a pod that picks them up or the driver of a taxi service. On some levels, it may not make a difference.

Let me touch on a wider issue that bears on that. Imagine the following situation: a dystopia and a utopia. I personally find it quite helpful to look at alternatives. Utopia might be no more parking on the streets because you can just get a vehicle and a pod turns up when you need it. You hop in and off you go. Therefore, because there is no more parking on the streets of big cities, maybe we turn them into bus lanes, gardens or something marvellous for the public good that we all love. That is a utopian-type view.

A dystopian-type view would be that maybe the system evolves unexpectedly and unplanned in a way that means that actually tens of thousands of pods are all travelling at 4.5 mph, six inches apart. That can be intimidating for walkers because they have to stop in the face of a pedestrian, and therefore no change or movement takes place at all. Very few people would regard that as a good outcome.

It is all to play for, and there is tremendous potential. One of the things that has been very interesting, reading the testimony you have had, are the concurrent views that there are enormous social benefits but also tens of billions of pounds of new markets to be developed by understanding these things and getting behind them better.

Q236 **Chair:** You have set out a scenario of pod world and the opposite, which I have heard you talk about before. We heard in a number of evidence sessions that MaaS could have negative consequences. What plans have you put in place, as the Department for Transport, so that we end up nearer the utopian vision than the negative and highly congested vision? What do you need to do to shape that future?

**Jesse Norman:** Don't forget that we are talking about services that are technology enabled and, at least at the service level, although not necessarily the underlying transport level, developing incredibly quickly. At this stage, an awful lot is, "First do no harm." Allow markets to get



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going and understand them better before we decide how we are going to regulate them, if we are going to regulate them at all.

There is obviously a source of concern. In the American experience of dealing with some of the taxi services, they seem to cannibalise bus usage, for example. That would be something that, if it really started to get going in this country, would be a source of potential concern, particularly because the latest Euro 6 buses are effective and environmentally attractive modes of mass public transport.

**Q237 Chair:** It sounds to me almost as if you are saying, “We will wait and see,” but potentially it could be too late. These things can change so fast. Would you be fleet enough to respond if that started to be a problem?

**Jesse Norman:** I do not think that is quite right, Ms Greenwood. It is not so much wait and see; it is spend a lot of time, energy and expertise working out what is going on and being aware that national Government are only one layer of activity. As we have seen in London, and as we will undoubtedly see with the further commissioning of services in other metropolitan areas, there are other layers of regulation and control that can give us some form of buffer. For example, we would not expect to see some of the developments occur with no notice because many of them will be picked up at the local level through local authorities.

**Q238 Chair:** I am interested in both how the DFT works and how it works with other Departments. One of the things we have heard is that MaaS has the potential to achieve some of the Government’s wider policy aims. It might be about how people get to health appointments; it might be about total transport ideas or how people connect with jobs. What discussions have you had with your counterparts in other Departments, particularly Health and Social Care, DWP and BEIS, on Mobility as a Service and what it might help to deliver?

**Jesse Norman:** The answer is that we are constantly talking to those Departments on different aspects of the future of mobility. Let me give you a couple of examples. We now have an inter-ministerial group thinking about active travel and the extent to which this can play into that agenda. We think a lot about what the relationship should be between electric vehicles and vehicle charging for off-street and on-street locations. Therefore, we talk to MHCLG and other Departments about that.

There are a lot of conversations going on. Of course, there are reverse conversations going the other way with BEIS, thinking about the industrial applications and potential as part of the industrial strategy. It is quite a complex and evolving picture.

The point you raise is absolutely right. Lower-cost methods of connecting people to their jobs and places of play, leisure or education are obviously of enormous interest to us. If we can do that, we can potentially take out



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not only a lot of cost, but enfranchise a lot of people who are lacking transport at the moment.

A point I make constantly to officials is that it is very important not to think of this as just an urban phenomenon. There is a classic tendency one sees, and one understands why: technology-oriented people in government and outside say that all these changes tend to occur in urban markets; they are deeper, there is more value added, more specialisation and division of labour and all that stuff, and, therefore, somehow, those are the ones we need to think about because they will tell us the future. I think that is mistaken thinking. The cost of many of these things is so low that, if an app allows me to connect to a taxi service as part of a wider community transport offering in rural areas, that is very exciting now, and would be to many of our colleagues.

Q239 **Chair:** Are you having any specific discussions about the use of MaaS and how it might deliver in more rural locations?

**Jesse Norman:** Of course, but I think it would be premature. We are thinking about the parallel exploration of rural mobility alongside urban mobility. Obviously in due course we will have a chance to talk to you about that.

Q240 **Chair:** We are expecting the publication of something about the future of urban mobility. Should we also be expecting a document on the future of rural mobility?

**Jesse Norman:** The answer to that is yes, I think you should be expecting a document.

Q241 **Chair:** Is there a timescale for that?

**Jesse Norman:** I will inform the Committee when we are in a position to give you a timescale on it. The point is that we are not taking half or three quarters of the country and ignoring the other half, as you might imagine from a man whose constituency includes a city and a lot of rural areas.

Q242 **Luke Pollard:** I appreciate that this a developing and fast-changing area, but local government seems to be much further ahead than central Government in understanding the possibilities around MaaS, especially from the evidence we have heard about the midlands and some other authorities that seem to be really embracing it. Do you think it is right that local government should be leading on it and, effectively, the Government following in its wake without any real strategic direction?

**Jesse Norman:** My view is that that is not quite the way to think about it. The right way to think of it is that we want innovation to take place. Innovation almost always occurs in a liberal regulatory environment where there is freedom to experiment. The decision the Government have taken over a period of time to create metro mayoralities and devolve



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power locally has given local transport authorities the capacity to innovate more, and that is what we are seeing.

If one looks not just at London but at the kind of work Andy Street is doing with Whim in Birmingham or that Andy Burnham is doing in Manchester with Chris Boardman, all kinds of different transport solutions are emerging. I absolutely welcome that. If what we could see from that was a series of repeated evidence that there was abusive activity taking place or that there were things that could be enabled by further deregulation, or enabled by further regulation, that would properly be a matter for national Government. That is absolutely part of the process we are reflecting on in this matter, but we are at a very early stage. It is important to realise that.

**Q243 Luke Pollard:** On our Committee visit to the midlands, we heard that the potential around MaaS in the midlands is huge, but if Government got on early some of those potentials could be realised sooner—for instance, tying out-of-work benefits and free travel to the Mobility as a Service app, which has already taken place there. Are those the types of conversations where central Government should be getting involved and being innovative earlier? If it is not your Department that should be leading on it, which other Departments should be getting in there? The DWP aspect, for instance, seems to be an incredibly enabling part of the potential for MaaS. Should they be involved even if you are not at the moment?

**Jesse Norman:** It is inevitable across Government that Departments may be funding collective pots of money that support different kinds of service offerings. You can imagine someone having not just direct payments to individual budgets but components of individual transport budgets. That is absolutely something one could see happening. That would potentially be tremendously enabling for just the reasons you have described, and the same could be true for other forms of support.

Those conversations would naturally fall to an inter-ministerial group, depending on how they were led. If they were led from a transport perspective, we would lead on them. If they were led on enabling the provision of care or services, they might be led by the Department of Health or the Department for Work and Pensions, as you described.

**Q244 Luke Pollard:** Is anyone leading on it at the moment?

**Jesse Norman:** The answer to that question is that we are still at a very early stage. It is interesting that you say that, but don't forget that Whim has only been operating in Birmingham for a few months so it is still early days, although obviously the Helsinki example is interesting as well.

**Q245 Chair:** One of the exciting things about Mobility as a Service is that it is about integration and multi-modal services. The Department for Transport is organised in silos according to mode, such as rail and road. How do you ensure that people in the Department are working across



those silos in an integrated and co-ordinated way themselves?

**Jesse Norman:** That is a terrific question. Historically, you could run these things as separate activities for several reasons. One was that it made sense to have people focused on areas of expertise relating to particular modes of transport. It did not just clarify matters to outside but also allowed for proper accountability of the spending of public money. You could see what was happening in the road network and so on. With Mobility as a Service, when you are thinking about journeys, almost by definition you are working in a cross-departmental, cross-modal way. Of course, we are spending a lot of time trying to think about modal shift.

It is still early days for understanding these matters, but the way we are trying to deal with them at an official level is by making sure that the Department's different areas are as joined up as possible. When we overlap with other areas where there is a clear public policy objective spanning two Departments—for example, on air quality issues—we have a separate entity that works with them. When we are thinking about what the future should bring, we have the grand challenges from a cross-Government standpoint, the purpose of which is precisely to unify Ministers and get everyone thinking constructively and imaginatively about what the future could bring.

Q246 **Chair:** In the Department, do you have a group of staff who are looking at Mobility as a Service and who operate across and outside the siloed directorate, or do you have a Mobility as a Service person in each directorate or team? How is it organised?

**Jesse Norman:** We have an interdepartmental group that works on this. There are nominated officials in each area, which allows them to join up. They are also under an obligation to make sure that each area is aware of what the whole is up to, if you see what I mean.

**Chair:** We have talked a bit about the policy. Now we would like to ask a bit about MaaS in practice.

Q247 **Ronnie Cowan:** The Whim application that was used in Helsinki has been working in the west midlands for a couple of months.

**Jesse Norman:** Yes.

Q248 **Ronnie Cowan:** Are the trials going well?

**Jesse Norman:** It appears so, but you have had Sampo in front of you so he could tell you better than I can what the status of it is.

Q249 **Ronnie Cowan:** You said you were watching it like a hawk.

**Jesse Norman:** I have met him and I have discussed it with officials, but two months is not a data sample. Let's see how the thing works out. I do not need to tell you that there have been other cases—although I do not think this is one of them—where it has turned out that, for specific kinds of integrated offering, there was not enough of a market and they had to retrench and think about how they moved forward. That is not the





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impression we are getting with this, but you need to get the up-to-date information from them.

Q250 **Ronnie Cowan:** At these early stages, are you identifying any specific weaknesses or strengths?

**Jesse Norman:** Several questions always arise, and they will arise here as well. First of all, what is the actual consumer behaviour in each case? Are more people actually, as it were, pursuing the right kind of behaviour? Is the thing pitched at the right price level? Is the take-up reflective of it? Are they able to ensure enough profitability flowing through to the underlying transport modes to keep them engaged and involved?

It is a significant problem. You may recall the situation in Fife, where they could not get the bus company to participate in the NaviGoGo scheme. That was significant opposition. They have made progress and it has been exciting and interesting, but it has not been as good as it would have been, and I think they regret that. Obviously one wants to look at the incentives because we don't want something that comes undone because different operators are not playing ball.

Q251 **Ronnie Cowan:** It is an interesting question: should Mobility as a Service be a profitable service, or should it be a service for the public?

**Jesse Norman:** Even if something is a not for profit, it has to make a profit because the surplus goes back into reinvestment. It is not necessarily distributed to shareholders. Inevitably, in an environment like this, we are going to be led by private sector entrepreneurs with private sector capital, taking risk and seeking gain. That is entirely appropriate.

Q252 **Ronnie Cowan:** You say "inevitably," but there is an alternative, with Government-owned bus companies and Government-owned railways.

**Jesse Norman:** Absolutely, there are alternatives. Let us take other markets where there is a Government alternative. For example, national savings and loans are a Government alternative to a savings vehicle. You can either put your money into national savings or into a bank. There clearly are parts of the market where there is a Government alternative and a private sector alternative. I imagine that one of the tasks for Government in that area is to make sure that they do not price out the private sector but somehow keep them honest.

In this case, as you will be aware, the likes of Citymapper take data from Transport for London, but TfL's own website provides much, if not all, of that data and has a very high level of usage. There is balance in different parts of the market. Again, I would slightly counsel against being too prescriptive in advance about what is going to work.

Q253 **Ronnie Cowan:** We will come to London in just a minute, but staying with the Whim application, currently there are about four companies. A bus company, a bike supplier, car hire and a taxi service are involved.



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Any of those partners could walk away at any time. Does that not concern you?

**Jesse Norman:** It is a trial. It is a commercial service in the early stages of being launched. They have experience from the Finnish precedent and they may well feel, and I am sure they do feel, that, if those players dropped out, there would be others who could potentially fill the gap. The key thing is that the underlying service is profitable, so that, even if one player does not want it for whatever reason, another would. I cannot comment, because I have not seen the numbers or the detail on it, but that surely seems sensible. The key thing is to make sure that there is enough underlying competition to keep everyone honest in the provision of the service underneath it.

Q254 **Ronnie Cowan:** We heard from Transport for London, who claim that the benefits of MaaS are already being achieved in London through the use of contactless payment systems and apps such as TfL's journey planner and Citymapper. Should other cities be looking at the London-type model, or should they be looking at apps?

**Jesse Norman:** It is inevitable that cities, not just in this country but around the world, are going to look at London, because it has been a highly successful model for public transport over the years, and rightly so. I have dealings with international Transport Ministers who learn from the TfL example. It is something that has built up over a period of time, and all those involved can feel a degree of pride in it.

Q255 **Ronnie Cowan:** Yet there is an article in this morning's *Times* by Graeme Paton, their transport correspondent, which says that a morning trip into a city centre averaged 117 minutes and 46 seconds by public transport, compared with 82 minutes and 12 seconds by car, saving 36 minutes—it was that accurate. In London, the gap was narrower at almost 33 minutes, reflecting better public transport, but it is still 33 minutes.

**Jesse Norman:** Are we on Mobility as a Service, Mr Cowan? This is at odds with the question, if I may say so. Those things may be true, but they may be true for other reasons. The question is, does Mobility as a Service have the ability to improve transport outcomes? The example of London at this still relatively early stage of its development is that it seems to have made a great difference. Of course, people focus on Oyster and contactless—

Q256 **Ronnie Cowan:** London has one system that is up and running, and others are looking at other potential systems. I asked you which was better. Even if we are saying that the London system is the best route, there are clearly still issues with the London system.

**Jesse Norman:** There clearly are. It is very early days. I keep coming back to this, but we have Oyster and a contactless system in London, which is great and operates across different modes of transport, but we do not have dynamic response. We do not have ride sharing. It is not



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integrated with the taxi system. It is itself and that is good, but it is not a perfectly comprehensive example that we should use to guide us.

Q257 **Ronnie Cowan:** We are still working towards utopia.

**Jesse Norman:** It is working towards better, I would say; we are a long way short of utopia. It is also avoiding the bad stuff.

Q258 **Ronnie Cowan:** We could aim for utopia.

**Jesse Norman:** That is always good. What does Oscar Wilde say? "We are all in the gutter, but some of us are looking at the stars." That is what we should be doing.

Q259 **Ronnie Cowan:** We talked briefly about the west midlands and Andy Street, and Andy Burnham in Greater Manchester. If they want to take a system like this, do they need more power devolved to them? I know they would like that.

**Jesse Norman:** The answer is that it really depends on what the evolving system is in each case. If Whim in Birmingham is a huge success, there may well be a system that arises without the same kinds of specific public authority control that we see with TfL. One of the reasons why these experiments are so interesting is that every community is different; its needs are different and the geographies it serves are different.

Q260 **Ronnie Cowan:** Would the Department for Transport consider investing in pilot projects elsewhere in England?

**Jesse Norman:** The Department is already happy to review and support forms of innovation where they take place, but I do not think we will be in the market for erecting public sector alternatives to things that the private sector may already be doing and that are in the very early stages of technology and commercial development. I put it to you that that is not a particularly fit use of public money.

If you doubt it, we can go back to the famous example of the R100 and R101, the two airships; one built by the Government of the day and one built by the private sector with Barnes Wallis. It was not a happy experience for the Government.

Q261 **Ronnie Cowan:** We are not getting airships, are we?

**Jesse Norman:** We are talking about modes of transport, Mr Cowan. I know what a widely-read man you are. It was a reason to mention it.

Q262 **Iain Stewart:** I apologise if you covered this topic before I arrived. I want to touch on the question of profitability, and how widely you would scope the cost-benefit analysis. It is perfectly possible to imagine a MaaS scheme that in itself does not make a profit in terms of strict operability costs and revenues, but, if it is successful in reducing traffic congestion and achieving modal shift, there will be cost savings in less congestion, better air quality and so on. To what extent would you look to include



those additional benefits in the overall cost-benefit analysis?

**Jesse Norman:** That is a very interesting question, and it goes to a deep point about economics. The side we often see is the side where a company is able to offload cost in the form of externality, and retain privatised profit. We saw that egregiously in the banking sector crisis. It was a famous feature of many of those interactions.

We are now talking about a case in which a private sector activity may not fully incorporate all the public benefits that come with it. We can imagine different economic ways in which Government might seek to provide supplementary recognition of those public benefits in order to encourage activity by the private sector; or they might seek to provide a similar service themselves if the private sector was unable to pursue the activity on a basis that was profitable to itself or its shareholders—generated enough of a surplus—but which also generated all the benefits you talked about.

What is interesting is that technology allows progressive salami-slicing of the costs and benefits. We can be much cleverer about what the benefits are and on whom they fall, and what the costs are and on whom they fall. It might be possible to devise revenue streams that recognise that and provide the kind of support we are thinking of. I am not sure how that would work, but it seems to me that the theoretical possibility clearly exists.

Q263 **Iain Stewart:** It is something the Government will keep an open mind on, as the technology develops.

**Jesse Norman:** Very much so. It is a very interesting second or third-generation problem. At the moment, the market as a whole, Government by extension, and Parliament, are still trying to get their head around what the potential revolutionary implications of this set of technologies and set of ideas are. The marginal economics of that becomes a very interesting question.

Q264 **Chair:** I want to follow up on the question of Government investment in helping to develop Mobility as a Service. When we heard from Transport for Greater Manchester, they said that they had had to go to the EU for some of the funding to help them develop projects. I know that places with directly elected mayors have access to the transforming cities fund; they have a per capita. For places that do not have a directly elected mayor, what prospect do you see for them being able to develop this? Is it purely going to rely on the private sector, or do you see any role for Government in helping to stimulate pilot exercises or get things under way?

**Jesse Norman:** The reason why the transforming cities fund is the right vehicle is the essential intuition that I described earlier; although it will not be restricted to cities, an awful lot of technology change will occur because of the market depth and the degrees of specialisation implied by the large markets that we find in cities.



Giving cities that are already innovating in this area the capacity to show the benefits of what they have done, and potentially get some additional support, feels like taking an area where there is enormous scope for marginal benefit and feeding some support into it. Outside that, there is every possibility for Government to have those kinds of conversations with smaller cities and other areas as you go down, but in many cases the private sector will be reverse engineering low-cost solutions of its own to many of those things, based on the first round of experiences. I do not think we should go too far beyond where we are at the moment until we have worked out what we think is really happening and why we think it is important.

**Q265 Chair:** What gives you the confidence that the private sector will look at the places where perhaps it is more difficult? It seems to me that the private sector could easily decide to be quite competitive in cities and leave the more difficult bits alone, particularly the rural areas or small towns. They could be doubly disadvantaged, by not having access to Government funding from the transforming cities fund and not having any private sector interest either.

**Jesse Norman:** That is a remote possibility in the further future. At this point, we are still trying to work out what are the costs and benefits. If it turns out that app-based integration is a potentially very low-cost way of pulling services together, you can imagine that there might be all kinds of ways of rolling it out to smaller cities and rural areas. We have already done some work through intelligent systems funding with Cambridge and Milton Keynes. One can see how that might be taken further.

Again, we have talked about this a little bit and touched on it, but we are very keen as a Department to make sure that Mobility as a Service positively enables outreach and inclusion. We are sensitive to the possibility that it could have the negative effects that you described.

**Chair:** We want to ask some questions about the role of business fleets and freight, but I have a feeling that Luke will pick something else up before he moves on to that.

**Q266 Luke Pollard:** The areas that have been looking at Mobility as a Service at the moment are the cities: Birmingham, Manchester and London. Some areas that have sub-national transport bodies are looking at Mobility as a Service, but the remainder of the country, largely small urban and rural areas such as the far south-west, which do not have metro mayors or sub-national transport bodies, are missing out on this revolution because the units of local government co-ordination are very small for them.

Is that an area you could investigate? There is a real risk that the big cities and big urban areas where there is a profit motive for private sector collaboration will take the innovation and the revolution forward, but that rural areas and areas where services need a bit of public subsidy to be propped up will miss out again. The Chair's point about being doubly



disadvantaged is a good one. I can see the far south-west—Devon and Cornwall—being one of the last to the revolution, not because we do not have a need, but because we do not have the transport structures that enable change from a local government perspective at the moment.

**Jesse Norman:** There is no doubt that there are costs and benefits to something being private sector led. The private sector is inevitably going to focus in the first instance on places with permissive regulation and revenue generation, and one understands that. Of course, as the service gets more efficient, the historical pattern is that much wider sets of areas get included as a result.

I feel the same issue as you, coming from an area that is probably the single hardest place in the country to wire up for purposes of broadband due to the nature of the developments—basically, a farmer in every field in Herefordshire. Of course, there are several potential forms of disadvantage. One is what you described, which is small market size relative to cost. The question is how to transform that.

Then there is the issue of connectivity. It may be a matter of not having infrastructure, but it may also be an older population who do not have mobile phones, or are not comfortable using handheld mobile phones. Since MaaS is overwhelmingly something enabled through digital platforms, many of which are in that form, you can imagine layers of potential disadvantage.

As I say, it is an issue of which we are very much aware. We certainly do not want rural areas to be disadvantaged over time. It might happen for a short period of time. The benefit of being in a rural area is the incredible community, joyous and beautiful countryside and all the other good things. The disadvantage is that you tend to be further away from cities, and, if cities are making change, you will be further away from that as well.

Q267 **Luke Pollard:** Rural areas often get neglected by these big revolutions, so I am grateful to you for keeping that on the "need to do" list. Another area that gets neglected a little bit is business fleets and freight. I have a quick question on that. MaaS Global and the Transport Systems Catapult told the Committee that MaaS has the potential to serve business fleets and freight. Do you have any plans to support that in any way through your Department's work? They are the areas that sometimes rely on the greatest amount of co-ordination and there might not necessarily be the initial business market that we are discussing in terms of moving people.

**Jesse Norman:** In many ways, there may be at least as much of a market in business. One of the things that was quite interesting, if you recall, in the MaaS testimony and in other things we have discussed, is the extent to which Mobility as a Service can act as a substitute for the company car.



On the freight side, we are looking at the whole question of how to manage the last mile component—the bit where the point-to-point component becomes disaggregated into multiple users. You can absolutely imagine how Mobility as a Service for freight might cause you to put your pack in something that carries it from point to point, and then an e-biker picks it up from a distribution centre and distributes it locally. I can see that happening for company packages on a contracted basis, at possibly quite a low price point. These things are changing so much at the moment that it is going to be very interesting to see how they develop.

Fleet and freight operators have high amounts of buying power and you would expect them to be early sources of conversation with a MaaS provider. They are always going to be locking in a block of revenue while they build individual take-up on top of that.

**Q268 Huw Merriman:** Minister, I want to go back to the whole regional issue that we have been discussing. Isn't the whole basis of this, if we look at it as a technology platform and a way forward, that it is supposed to look beyond the regions? We are getting very focused on what London, Manchester and the west midlands have to offer, but by its very definition this should be about linking passengers of transport systems to get from A to B rather than putting them into a box on a regional basis.

What discussions have taken place with some of the big organisations that look at things from a national perspective, rather than just expecting the regional mayors to come up with something for their region? That seems a bit parochial on something as exciting as this.

**Jesse Norman:** In a way, it is inevitable that you are going to go regional because of the disaggregation point I made earlier. If you are talking about a point-to-point service, and it is a competitive one, it will be operating at a relatively low cost if it is competitive because it is in the nature of a fixed offering that can be competitively priced and bid for by other players. It is when you go local and it becomes harder to see how you split up all the journeys, and how they are integrated into a whole, that you get the potential for service improvement and improved costings.

I absolutely would not rule out what you are describing at all. Let me again paint you one of my imaginative examples. Imagine you are looking at Google Maps and how to get from your constituency to the place where you want to go on holiday in Scotland or Tenerife. Now imagine you have a button next to it that says, "Total cost at ticker price at the moment in aggregate: X. Our price: X minus 20% if you press this button now." That is a Mobility as a Service offering tied into an international mapping system, which is exactly what you are describing. Of course, it would have to be sensitive to your needs. You may want to take the kids and you may have five bags and so on. It cannot be putting you on Boris bikes for the last 200 metres, but you get the idea. I do not see any reason why that should not come.



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Without getting too theoretical, there is a really important shift. In this country, we have historically always priced on the basis of particular fares from point to point. Pricing for a total journey implies a potentially revolutionary approach to how we think about pricing. That potential change would be a really interesting area for the Committee to explore in other work you might be doing. I say that as a former Committee Chair. It is potentially revolutionary, it seems to me, in how we should be thinking about pricing. You can imagine aggregators going to standard price operators of different modes and saying, "Look, we are bringing you X tens of thousands of customers and we do not want to pay that price. We would like to pay this price, so how about having a negotiation about it?" That would enable another round of potential service offerings of a kind that we are beginning to see the basis of now.

To be really absurd about this—I hope you won't mind; it comes out of some other work I have been doing about Adam Smith—it is thinking about whether you could get technology-enabled consumers who could buy on your behalf at electronically-enabled search costs, not humans searching through insurance costs for one thing or travel options for another, but an automated bot that knows your preferences doing the work for you. It could potentially link with 100,000 other bots to exercise collective buying power. At that point, we are into what I would think of as Mobility as a Service third generation. That becomes really interesting. It potentially rolls back some of the market power issues we are seeing with the big platforms, which have generated a lot of concern, as you know, across Europe. I hope you do not mind me being inclusive, but I think it is an interesting area for the Committee to look at.

**Q269 Huw Merriman:** That is the reason why I asked the question. We are all looking at things at a regional programme level. I am wondering whether demand and progress mean we should be looking much more ambitiously.

**Jesse Norman:** That is absolutely right. This is an area where the costs of innovation are so low that they may come a lot quicker than we think.

**Chair:** We may want to explore that a little further, but we certainly want to ask some questions on the role of transport operators.

**Q270 Jack Brereton:** First, I want to follow Huw's question by asking particularly about geographical boundaries and how you envisage Mobility as a Service operating across those. Stoke-on-Trent, which I represent, is an area in the midlands, but obviously it receives services from the north as well. How would you envisage that operating?

**Jesse Norman:** There are many different ways it could happen. To take one example, at the moment if I want to get across London I can use Citymapper, as I mentioned earlier, for a multi-modal way of doing it. There is no reason in principle why Citymapper, with its cost base, should not be able to integrate all the data for Stoke-on-Trent, Birmingham or Manchester and then engage with the kind of buying power that I have





described to get you a better fare, in an imagined and regulated future world, for the intervening link. You could potentially buy a ticket online on your mobile phone from your house or flat in Stoke-on-Trent straight to London. That would be one fare purchased in advance across a whole series of possibly five or six different modes.

**Q271 Jack Brereton:** You don't feel that those geographic regional and national boundaries are an issue in the UK. Does there need to be some co-ordination role from Government or local authorities?

**Jesse Norman:** It is a very interesting question. I am not sure whether there needs to be co-ordination. It is a natural extension of some of the business models we are seeing at the moment. It will be interesting to see whether they are picked up and developed and, if they are not, why not, and whether there is a market failure of some kind that the Government properly ought to be looking at.

Don't forget that I have a slightly different conception of market failure from most. I am not an economist and that is probably the reason why. There is an idea of market failure, which is that it is a derogation from perfection in frictionless markets. Of course, that is nonsense because there are no frictionless markets. It is an academic fancy. The really interesting question is, what is the market for? Is it doing its job? Are there obvious jobs that it could be doing if a Government with a sufficient degree of engagement nudged the market into creation?

In Government, we are constantly creating markets, as you know. We are doing it in space at the moment. We are defining property rights that allow private sector operators to come in and potentially put up satellites, at private expense, from UK satellite launch pads. We are doing it as a matter both of the creation of property rights and of mitigation of liability. Both those things can be done quite well by the state.

**Q272 Jack Brereton:** On the role of operators, do you think that the primary role is going to be for bus and train operators, or do you think it is more widely for local government and Government to take a role?

**Jesse Norman:** It is so interesting. Some bus operators, as you know, have been very energetic about moving towards advanced ticketing systems, virtual ticketing and the like. As you know, we have supported that process with a substantial amount of public money to try to help it go forward. We think that is an important part.

As you know, there are different aspects. The Helsinki model and the code they have there is quite interesting. It does not just push you towards open data—what is defined as open data, what is made available and how. There is also a question about pricing and whether or not standard pricing will be made available to everyone. The question then is how you can use those to integrate.

**Q273 Jack Brereton:** Is it primarily for operators to take that role, or does the state have a role?



**Jesse Norman:** The state can have a role. We just need to see how it is going to operate. The overall trend across countries now is much more towards people having individual control of their data. That creates the possibility of the kind of sophisticated, algorithmic-type consumers I have been talking about. The counterpart of that is a potential requirement on public authorities to make available public data.

Q274 **Jack Brereton:** Would you suggest that it is for the market to determine which operators take part?

**Jesse Norman:** I do not think it is so obvious. I am not saying you are being obvious; I am just saying that the question is not such an obvious one to answer. If data is a really crucial part of the launch profile of a service, nationalising their data may not be a clever way of encouraging innovation. This is not in transport so far, but once platforms are established and already effective, as in other aspects of the electronic world, they are quite adept at using insider power to extract value. If you thought that was happening, you might well want to look at it from a Government standpoint.

Q275 **Jack Brereton:** In some of the evidence the DFT presented to the Committee, they suggested that the willingness of transport providers to take part in Mobility as a Service is particularly important. Would you suggest that there are issues if operators and key providers do not want to take part?

**Jesse Norman:** Yes. You could imagine very large operators not wanting to play ball because they think their data is too valuable and they do not want to share it with anyone. These things have all to be evaluated on their own merits in individual cases. At this point, there is plenty of appetite to get involved, but that may not be the case as people learn more about it, or as the market develops.

Q276 **Jack Brereton:** Do you think potentially that is where the DFT and local government have a role to encourage or even enforce operators to participate?

**Jesse Norman:** I do not think there is a clear rule emerging yet. It is an interesting situation, which we need to look at. The data will have been acquired through legitimate legal trading by private companies building up advantage in a competitive way in many cases, and Government should think very hard about what potentially amounts to expropriating data that they may have, or making it available to others who will not have paid for it.

Q277 **Jack Brereton:** I know rail franchising is not necessarily your primary area.

**Jesse Norman:** It is not at all my primary area.

Q278 **Jack Brereton:** Would you suggest that it could be a potential barrier to operation of Mobility as a Service more widely?



**Jesse Norman:** We have done quite a lot of work to encourage rail companies to look at the way in which we can explore different forms of making data available in rail companies. It is early days, and certainly something on which we will be reporting to Parliament in due course. It is an issue we have in our sights.

Q279 **Jack Brereton:** It does not need to be stipulated in rail franchises that those operators take part? We had some evidence from Crispin Humm of the Rail Delivery Group, who suggested that that could be important leverage in encouraging rail operators to participate.

**Jesse Norman:** You can certainly imagine an argument that entities that rely for their existence on public subsidy should contemplate making data available, if it can be done on non-punitive terms. These are early days and we are still looking at that. We certainly are not of the view that organisations should be compelled to join Mobility as a Service platforms, as matters stand at present. We are just looking at the whole issue.

Q280 **Jack Brereton:** It could be more in the longer term, if necessary.

**Jesse Norman:** As I say, we have a series of studies going on at the moment across buses and rail franchises. We need to look at them and evaluate them before we come to a view.

Q281 **Chair:** What might be the reasons why you would not want rail franchises to include a requirement to join MaaS schemes where they exist? If we want to promote integration, particularly in the last mile—railway stations generally are not where people live, so there is a journey—why would you not want to use the franchising system for that purpose?

**Jesse Norman:** Not all franchises are reliant on Government subsidy.

Q282 **Chair:** But they are all quite specified, even where they are making a return.

**Jesse Norman:** As you will have detected, I am shying away from general rules, because we are at such an early stage. We are incrementally learning by looking at lots of different examples that are taking place in different modes. I think that is the right way forward. Again, the specificity of that does rather caution one against general rules. We are looking at the topic.

**Chair:** We come now to questions about regulation and how we might regulate a MaaS system.

Q283 **Daniel Zeichner:** Thank you, Minister, for a slightly more philosophical discussion than we sometimes have.

**Jesse Norman:** Hopefully not more than you want, but at an early stage it is sometimes helpful to have wider conversations.

Q284 **Daniel Zeichner:** Indeed. I might want to pursue the role of the market and regulation a little bit further. We have heard in previous evidence that some local authorities, and indeed some transport operators, would



quite like the Government to come forward with a code of conduct. That could outline how platform providers, local authorities and transport providers would work together. Is that an idea that the DFT is looking at?

**Jesse Norman:** It is certainly an idea that I think is interesting. It is interesting to see that it has been, as it appears, effectively adopted in Helsinki. How it would work and what it would regulate in a national market, given the contrast in size between that very specific set of markets and issues and a national market, is a different matter. I can see the pull of the idea.

Q285 **Daniel Zeichner:** Who should develop such a code of conduct?

**Jesse Norman:** I am not sure of the answer to that question. One's initial instinct is that, rather than having codes of conduct, it could be part of the licensing conditions for the creation of a Mobility as a Service offering in a particular area. I am open to the thought that something else may be required. Certainly, it is not an unusual phenomenon to have a situation in which operators seek to have Government impose requirements. Of course, every imposition of a requirement is potentially the exclusion of another competitor, so one has to be careful about that. Sometimes the requirements can be used as tools of competitive advantage as well.

Q286 **Daniel Zeichner:** Or can be used to frame a market to make it work more successfully.

**Jesse Norman:** That is absolutely true. There is no doubt about that at all. The space example is a classic one. We have a set of protocols and property rights. The effect of that would be to bring into existence a market that did not exist before.

Q287 **Daniel Zeichner:** This probably will not come as any surprise to you; it brings me to one of my favourite debate subjects, which is dockless bike parking. We have discussed it before. The Committee heard from Nextbike, who gave us an account of how some councils had ended up having to use rather out-of-date and inappropriate legislation to deal with bikes that had been dumped and so on. This is a question I have put to you in other places. Do you have any plans to help councils regulate bike-share schemes?

**Jesse Norman:** It is a very good question. In a way, it is a classic example of the kind of phenomenon I was describing earlier. Dockless bikes had their great moment in the sun last year. They are still proliferating in terms of different offerings and different kinds. The market was getting going. It might have been a serious mistake to treat them as litter from the very beginning, because the technology to require people to place them in the right places was still evolving. As that market is now developing we in Government are in a position to start thinking constructively about whether it requires regulation over and above whatever exists at the moment, and how.



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I absolutely would not rule it out. When we think about the grand challenge on the future of mobility, one of the questions for us will be, "Does the dockless bike market require a degree of regulation in order to preserve the public good of tidy streets or to prevent littering?" It will be considered as part of that process.

**Q288 Daniel Zeichner:** When councils and operators were saying there was a real problem a while ago, wouldn't it have been helpful for the Government to respond a bit more quickly?

**Jesse Norman:** Did you not just let the cat out of the bag there by saying "a while ago"? The market has already changed from the point at which that was quite the concern that one had. As you know, there are now technology improvements that nudge consumers into placing bikes in good places for others to use and not in bad places. There are already technology solutions emerging to cure that externality.

**Q289 Daniel Zeichner:** But that is the whole question. The technology will go on changing, but at what point do Government take some responsibility and intervene? How are you making that decision?

**Jesse Norman:** You mean central Government taking responsibility?

**Daniel Zeichner:** Yes.

**Jesse Norman:** Local government already takes responsibility.

**Q290 Daniel Zeichner:** But local government does not necessarily have the power to do it.

**Jesse Norman:** I have already indicated that, for us, the point comes as part of the consideration of the future of the mobility grand challenge, which is later this year. I think that is pretty early by anyone's standards. We may decide that the market is actually curing itself and does not require regulation. Regulation is a very trailing edge and often an unexpected cost-imposing thing. One has to be careful about it.

If I may say so, I think you are pointing, without being too philosophical, at another quite interesting issue, which is that there is no decision procedure for how to deal with these things. A problem can become overwhelming, in which case it becomes completely obvious that something ought to be done about it. Often, it is a more connoisseurial matter as to how much innovation you want to see in a market and how quickly a market may be curing a potential problem. A wise regulator has an eye to problems that solve themselves quickly, and tries to separate those from the ones that are going to be enduring and potentially cancerous.

**Q291 Daniel Zeichner:** But the absence of a decision, of course, can be a decision in itself.



**Jesse Norman:** That is true. That is why we have an industrial strategy, because not having an industrial strategy is to have one without knowing it.

Q292 **Daniel Zeichner:** Indeed. Moving back from the bikes to the MaaS system as a whole, obviously when a range of providers is involved, and from the consumer's point of view possibly something goes wrong, how do you protect consumers? Is that something again where regulation may be necessary, otherwise it stops the whole process developing?

**Jesse Norman:** Of course that is absolutely right. If there is significant and, in particular, enduring consumer detriment, it is absolutely properly a matter for Government. Let me give a little example. When the latest generation of taxi services was being launched in London via apps, imagine if Government had yielded to the suggestion that it was an entirely inappropriate thing to be doing and the taxis were unlicensed wildcatters. What would we have found? A system may have strengths and weaknesses, but we know that it has a level of assurance built into it that allows more women to be taxi drivers than exist elsewhere. There is a level of assurance about the safety of the driver. We know that people can put their children into some of those taxi services because they have an end-to-end assurance about where the taxi is going.

Those turned out to be uncovenanted and unexpected benefits from a piece of innovation. It is important to remind ourselves of that before loading up the regulation gun and discharging it madly into one's own foot.

Q293 **Daniel Zeichner:** You are brave to enter the world of taxi and private hire regulation.

**Jesse Norman:** I very deliberately did not reach a view on the merits. I just described some of the benefits of one of the options. Of course, there are other options that have splendid benefits of their own.

Q294 **Daniel Zeichner:** And of course there are disbenefits too.

**Jesse Norman:** On both sides; of course that is true.

Q295 **Chair:** May I ask a follow-up question? When Daniel was asking about the possibility of a code of conduct, you made reference to the potential for a local authority to make something a condition of their licensing obligations. When we heard evidence from Transport for West Midlands, they were very clear with us that there is absolutely no licensing at all around MaaS. There is nothing to stop anyone just turning up and setting up a service. They do not have to have any discussion with the local authority. Indeed, we heard in evidence that the local authority and operators were calling for the idea of a code of conduct. Julian Scriven of Nextbike said, "If you are going to operate within our space, you must be compliant with our selected Mobility as a Service solution."

What did you mean when you referred to licensing obligations? One of



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the issues seems to be that it is totally unregulated. Given that transport operators and local authorities are asking now for a code of conduct, I wonder what you think.

**Jesse Norman:** There are two things. There are stages of market development. In an early stage, you get disruptive innovation and it is often outside structures of regulation. It may be perfectly legal, but we have a permissive regulatory system. We allow things to happen unless they are specifically ruled out by law, so there will be a lot of innovation that does not necessarily require licensing or recognition by Government.

At a later stage, you will get some licensing regime, and as part of that it might be possible to include a code of conduct. Of course, another idea of a code of conduct is that it is not a legal or contractual requirement but a publicly enunciated standard to which people who operate in the area are expected to adhere. In a world of social media, that can become very quickly enforced. Again, one of the reasons for being a little bit careful about this is that these are all live options, and it is quite interesting to look at what the best one might be.

Q296 **Daniel Zeichner:** Going back to data, you touched on some of these points. In the Department's written evidence, you say that "MaaS relies on sharing of data between transport providers and users" and that "the Department has programmes supporting these initiatives." Could you tell us a little bit about some of them and how they are going?

**Jesse Norman:** I have completely forgotten which ones they are, so you had better tell me.

Q297 **Daniel Zeichner:** I am afraid you have caught me out as well in that case. We may return to that at some point.

**Jesse Norman:** We can do that. Why don't I just write to you with some more detail around that?

Q298 **Daniel Zeichner:** Yes. Perhaps you can tell us more about them. We have some examples before us, such as the Finnish Government, who have legislated to ensure that essential data must be made available to third parties. Is that the kind of thing you might be looking at?

**Jesse Norman:** As I said, codes of conduct have different aspects, and they can be formal or informal. Even within the formal side, they can be guidance or law in our system. Any of those remains a possibility. The point I would make is that we are at such an early stage that it is premature to come to a view at a national level about what a code of conduct should look like.

There are two sides that we talked about, if you remember. One was the data side and the other was the payments side. On the payments side, when I talked to Mr Merriman I pointed out that point-to-point fare charging of the kind we see at the moment starts to look potentially quite quaint in an advanced world of Mobility as a Service. That creates



potential problems, because you then get worries about what the true cost of something is and hiding the costs among a diversity of product offerings, which we have seen, for example, in cellular telephony. There was a moment when, for broadband provision, it was not clear in many cases that people were being offered apples for apples so they could not make comparisons. I suggested algorithmic consumers as a way of cutting through some of that.

There is the other side as well, which is the data side. There, of course, we have passed legislation designed to give people more control over their data: GDPR. One may feel pain about GDPR, as all Members of this House have in different ways because it has regulated the way they interact with their constituents, but it represents a clear push-back against unregulated acquisition of data by data holders. I think it is the beginning of a wider trend. Over time, we will start to see more pressure on Governments across Europe to push back on data, and potentially to encourage sharing it, as well as personal ownership.

Q299 **Daniel Zeichner:** I sat on the GDPR Bill Committee so I had many hours of pleasure dealing with a very complicated subject.

**Jesse Norman:** You should be here rather than me, Mr Zeichner. Then you could answer the questions.

Q300 **Daniel Zeichner:** I could not possibly comment on that. You have already touched on the competitive issues and data. It goes to the heart of this: whose data is it when it is anonymised and not conglomerated? A bit was done in the Bus Services Act. There was a push from Government to actually push data out there, to drive forward on that, when at the same time there were some bus operators and other operators who said, "This is our data and it gives us competitive advantage." How are you going to resolve that division?

**Jesse Norman:** I am slightly disadvantaged by not being the bus Minister or the rail Minister, and not having detailed understanding of those sectors. The general principles are clear, it seems to me. If one gets to the point where it is very clearly either detrimental to consumers, or imposing externality costs more widely, the case for a code or something similar starts to become more compelling. It becomes less compelling on emerging markets because the whole point is to see how they pan out and start to settle, and where the revenues and the costs fall within the market. I am not sure it is appropriate at this stage, but it is certainly something that needs to be carefully kept under review.

**Chair:** We have a couple more questions, on smart ticketing and on social and digital exclusion.

Q301 **Huw Merriman:** I am conscious of the time, so perhaps I could cover the age factor first. As you are aware, Minister, some of us are supposed to be somewhere else at 6 o'clock.

**Jesse Norman:** Indeed.





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**Q302 Huw Merriman:** My question is particularly relevant to my constituents, 30% of whom are over the age of 65. We are told that, even in the 55 to 64-year-old bracket, only 47% of that age group owns smartphones. It drops to 20% when we get to the over-65s. You have touched on this as well. How can we be confident that Mobility as a Service does not leave those particular groups behind, when they may be able to benefit from it the most?

**Jesse Norman:** As you say, it is a question we have already touched on. There are a couple of points. Over time, the problem starts to become self-curing, because increasing numbers of each cohort will have standard use of a mobile phone. Not all apps are mobile phone-based. The equivalent to an app could be sitting on a browser.

What is quite interesting is the question of whether or not there may be other ways of using Mobility as a Service, making it available via kiosks, for example, or via other public service entities. Again, at this early stage it is hard to know. Certainly kiosks seem a perfectly sensible way. I cannot see any reason in principle why many of the services could not be offered at a bus or railway station via a kiosk, which would allow anyone to use them. Of course, there are other forms of familial and social help for people who are not digitally enabled that may be able to help as well.

**Q303 Huw Merriman:** That was very much the starting position of the question, but if you flip it on its head it is interesting, despite what I said about my constituency, that, when we opened a new Wetherspoon's, it turned out that more people in my constituency used the app to order their drinks than in any other Wetherspoon in the country, despite the population. Sometimes we think that those who are older cannot use technology.

**Jesse Norman:** The beer drinkers of Bexhill are not to be underestimated.

**Q304 Huw Merriman:** Exactly, particularly those aged over 65. I think that is the challenge. We talk about this as a smartphone base, and maybe the proportions are not there in terms of age on smartphones, but, as you pointed out, we are missing the fact that many people who may be in that age bracket still access electronically online; they just do not happen to do it via an iPhone walking down the street.

**Jesse Norman:** Yes, that is absolutely right.

**Chair:** Are they in Wetherspoon's with their laptops then?

**Huw Merriman:** I make the point more because I think sometimes we just assume that those of a certain age are not able to access, but it turns out statistically that it would appear they are.

**Ronnie Cowan:** You were looking at me when you said that.

**Chair:** Outrageous.

**Q305 Huw Merriman:** Ronnie, you're always welcome for a beer in



Wetherspoon's.

To be serious, the best thing is to create services that make everybody want to get online to use them in the first place. Is there something to be said for giving more fare concessions to that particular age bracket to incentivise them into the process that we are all trying to drive ahead?

**Jesse Norman:** We are moving away from a model of fare concessions in the form we have thought about it. We have to do much more thinking about what a fare is in the new world, as opposed to what a service charge is. The service charge may be a monthly, aggregated-type charge or it may be a journey charge for the service you have received.

Of course, that creates all the usual problems of whether or not some people will be gauged vulnerable users by reason of knowing their identity. What Mr Zeichner will know, and Committee members may know, is that it used to be thought that you could identify someone individually from an anonymised data patch by 12 pieces of data. It turns out that it is three pieces of data. If you do not know, it would be interesting to talk to the folks at King's College, London who have done some work on it. The capacity for manipulation or targeting is quite high in all platforms, which includes this area as well. That is not to say there are not electronic countermeasures, but it is a problem to be observed.

This is a vexed issue, which the Committee has looked at, and I have spent a lot of time thinking about it too. You can imagine in community transport, for example, Mobility as a Service being very useful for encouraging disaggregated ride sharing between people. It may not be much more than, "I'm in your neighbourhood, Jack," and sending someone an email, making a mobile phone call or sending a text message that allows more sharing, even if the individual themselves is not the client of the service in the first instance. There is a huge amount of potential. We just need to let it pan out, pick up on the good stuff and try to support it to the extent we can.

Q306 **Chair:** Coming back to the issue of the older age group, we have a very well-established concessionary fare scheme for those over state pension age and for disabled people. Have you thought about how they could be incorporated in a MaaS solution? Is that something the Department has looked at?

**Jesse Norman:** It is a great question. I have not thought in any depth at all about the particular suggestion as to how concessionary fares might be incorporated or not. The general commitment is perfectly clear. We want to use Mobility as a Service as a way to reduce exclusion wherever possible, and certainly not to encourage it or enlarge it. I have not looked at the issue of concessionary fares at all, and I am very grateful for the suggestion.

Q307 **Chair:** This is the final question, you will be glad to hear, based on the time. It relates to smart ticketing. The written submission from the Department highlighted the Government's commitment to spend £80



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million to facilitate the roll-out of smart ticketing on national rail. Of course, we remember the National Audit Office report that came out in April 2017 showing that the south-east flexible ticketing programme was far from effective. Given that the Department has already struggled to roll out smart ticketing on trains in the south-east, how can we be confident about smart ticketing in a multi-mode MaaS system?

**Jesse Norman:** I do not think it is quite right to think of it as the Department rolling it out so much as the Department trying to support organisations that are rolling it out themselves.

Q308 **Chair:** Is that different from SEFT?

**Jesse Norman:** If I were the rail Minister I would be able to answer that question. I cannot tell you what the specific points of difference are at all. I would be happy to write to you with reasons why we might think it would be different. It is certainly not an issue that I have spent any time thinking about. It would be wrong to offer any analysis or suggestion based on my extensive experience in roads.

Q309 **Chair:** We hope it is an issue that you will now spend some time thinking about. We would be very glad if, having done that and talked to your colleagues, you would write back to us.

**Jesse Norman:** I will. Thank you very much.

**Chair:** Thank you, Minister, for your answers to us today.