



Department  
for Transport

Iain Stewart MP, Chair  
Transport Select Committee  
House of Commons  
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From the Secretary of State  
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Dear Chair,

Thank you for inviting the Permanent Secretaries and me to speak to the Committee on 7 December. We were grateful for the opportunity to discuss the wide range of work currently underway in the Department and I hope you are now feeling better after your spell with Covid-19.

I am writing to provide you with the additional information that I committed to during the session. This material is set out in Annex A.

I also want to clarify the position of my predecessor relating to transport legislation in the Third Session. This is also set out in Annex A.

I look forward to working with the Committee going forwards.

Yours sincerely,

**Rt Hon Mark Harper MP**

**SECRETARY OF STATE FOR TRANSPORT**

**Further information for the TSC following the session on the Work of the Secretary of State for Transport, 7 December 2022**

During the evidence session, further detail was promised in relation to the following topics:

1. The legislative plans of the Department
2. East West Rail
  - a. Current specifications of the project including Aylesbury Spur
  - b. Diesel rolling stock
  - c. Community engagement
3. Update on Zero Emission Buses
4. Avanti and the sale of off-peak tickets
5. Timeline for post-Autumn Statement spending of the Department
6. Active Travel England's statutory consultee status
7. Seafarers Wages Bill and the use of port hopping
8. Civil Aviation Authority and consumer rights reform
9. Engagement with Local Authorities on rural bus services
10. Update on Bus Service Network Review submitted by Local Transport Authorities from July
11. HGV facilities and planning system

There is also a clarification to make relating to the below topic:

1. Third Session Transport Bill

**Further Information**

**1. The legislative plans of the Department**

My Department's legislative programme has been reshaped over the last couple of months to meet the Prime Minister's priorities. The current legislative priorities for the Third Session are:

- The High Speed Rail (Crewe - Manchester) Bill, re-introduced in May, is at the Petition Stage in the House of Commons. A Bill Committee will shortly be appointed.
- The Seafarers Bill, introduced in July, completed its House of Lords stages on 7 November and was presented to the House of Commons on 8 November. Second Reading took place on 19 December and the Bill moves to Committee Stage in the new year.

- In September, DfT introduced legislation requiring Minimum Service Levels (MSLs) to be maintained in the event of industrial action in the transport sector. Since the change in Prime Minister, this legislation has been on hold while next steps are established.
- The Retained EU Law Bill, introduced by BEIS in October, will retain the sunset date of December 2023. This will pose a significant challenge for DfT, in terms of availability of resource to deliver and volume of SIs needing to be laid. To ensure we meet requirements, transfer all essential regulation (including health and safety “business as usual” legislation), and maximise on the Brexit opportunities this exercise provides, there will need to be significant prioritisation.

Looking ahead towards the Fourth Session, the Government is currently working through its legislative priorities, so I am not currently in a position to comment.

## **2. East West Rail**

### **a. Current specifications of the project including Aylesbury Spur**

The Autumn Statement re-committed to the government’s transformative growth plans for our railways including East West Rail (EWR). Connection Stage 1 of EWR is currently in construction and, when completed, is set to create a direct twice-hourly rail service from Oxford to Bletchley and Milton Keynes. Connection Stage 2 (Bletchley to Bedford) and Connection Stage 3 (Bedford to Cambridge) are at development stage and options for these sections were consulted on as part of a wide-ranging non statutory consultation from March-June 2021.

In relation to the Aylesbury Spur, known as Connection Stage 2.5 of EWR, this is not currently funded for delivery of passenger services. However, funding is being provided for work on the existing Marylebone-Claydon Junction line for the construction of civil engineering assets which make passive provision for EWR services in the future. Network Rail is also considering the feasibility of undertaking additional small enhancements to allow for the extension of existing Chiltern-operated passenger services beyond their current terminus of Aylesbury Vale Parkway. This is due to report by the end of January 2023, with next steps to be set out in due course.

### **b. Diesel rolling stock**

Diesel rolling stock will be used for the start of services for Connection Stage 1 of EWR whilst a decision on decarbonisation options for the full route are taken. This will allow the earliest possible start of services between Oxford and Milton Keynes, bringing wider transport benefits and encouraging modal shift away from cars. East West Rail Company and DfT are working to review non-diesel traction options including full electrification along the whole route as well as various options for partial electrification and using battery / electric hybrid rolling stock. CS1 has been built with passive provision being made for electrification where appropriate.

### c. **Community engagement**

In relation to community engagement for Connection Stage 1 of EWR, the East West Rail Alliance identified all potentially impacted businesses along the line of route and have engaged with them directly, ensuring that local businesses are included in mitigation strategies and kept up to date via a mailing list, hand delivered notifications or face to face discussions.

They have listened carefully to local residents' feedback throughout, via meetings, drop-ins, social value projects and open days across the whole line of route. They have also engaged extensively with local political representatives including regular meetings with Buckinghamshire Council and Oxfordshire County Council. This feedback will be considered further in the evaluation of CS1 works, and lessons fed through into the planning for future connections as part of ongoing project delivery.

HGV movements and road closures associated with the works have been carefully managed to minimise the impact on affected communities, with prior approval by the local authorities to ensure access to businesses and residents is maintained. Where diversions are in place, signs are placed in the area to signpost the general public to the fact that businesses are open as usual.

### **3. Update on Zero Emission Buses**

As I set out during the oral evidence session, since February 2020 an estimated 3,276 zero emission buses have been funded across the UK. This is an estimate by the Department for Transport based on the latest situation and is subject to frequent change depending on how funding is used by local transport authorities and bus operators.. The figure referred to is the latest estimate produced by the Department and therefore different to previous figures. Further detail is provided in the following tables.

Table 1 below presents the estimated number of zero emission buses that have been funded in England since February 2020. Where available, information has been provided on the status of the buses and the name of the bus manufacturer has been included.

*The numbers in Table 1 are not official statistics: they are based on the latest information available and are therefore indicative and subject to change.*

Table 1

<b>Funding scheme</b>	<b>Funding awarded to</b>	<b>No. Buses</b>	<b>Status</b>	<b>Bus manufacturer</b>
ZEBRA	Cambridgeshire & Peterborough Combined Authority	30	Funded	Bus manufacturer subject to outcome of procurement process by local transport authority or bus operator.
ZEBRA	Kent County Council	33	Funded	Bus manufacturer subject to outcome of procurement process

<b>Funding scheme</b>	<b>Funding awarded to</b>	<b>No. Buses</b>	<b>Status</b>	<b>Bus manufacturer</b>
				by local transport authority or bus operator.
ZEBRA	Leicester City Council	96	6 buses on the road; 90 buses ordered	6 buses on the road supplied by Pelican & Coach UK and manufactured by Yutong. 90 buses ordered from Wrightbus.
ZEBRA	Milton Keynes City Council*	56	Funded	Bus manufacturer subject to outcome of procurement process by local transport authority or bus operator.
ZEBRA	Warrington Borough Council	120	Funded	Bus manufacturer subject to outcome of procurement process by local transport authority or bus operator.
ZEBRA	South Yorkshire Combined Authority	27	Funded	Bus manufacturer subject to outcome of procurement process by local transport authority or bus operator.
ZEBRA	Norfolk County Council	15	Ordered	Wrightbus
ZEBRA	North Yorkshire County Council	39	Funded	Bus manufacturer subject to outcome of procurement process by local transport authority or bus operator.
ZEBRA	Portsmouth City Council & Hampshire County Council	34	Ordered	Wrightbus
ZEBRA	Blackpool Council	115	Funded	Bus manufacturer subject to outcome of procurement process by local transport authority or bus operator.
ZEBRA	Nottingham City Council	78	12 ordered; 66 funded	12 buses supplied by Pelican & Coach UK and manufactured by Yutong. Bus manufacturer for 66 buses subject to outcome of procurement process by local transport authority or bus operator.
ZEBRA	Greater Manchester	170	Funded	Bus manufacturer subject to outcome of procurement process

<b>Funding scheme</b>	<b>Funding awarded to</b>	<b>No. Buses</b>	<b>Status</b>	<b>Bus manufacturer</b>
	Combined Authority			by local transport authority or bus operator.
ZEBRA	Hertfordshire County Council	27	Funded	Bus manufacturer subject to outcome of procurement process by local transport authority or bus operator.
ZEBRA	West Midlands Combined Authority	124	Funded	Bus manufacturer subject to outcome of procurement process by local transport authority or bus operator.
ZEBRA	City of York Council	44	Ordered	Wrightbus
ZEBRA	West Yorkshire Combined Authority	111	32 buses ordered; 79 buses funded	32 buses ordered from Wrightbus. Bus manufacturer for 79 buses subject to outcome of procurement process by local transport authority or bus operator.
ZEBRA	Oxfordshire County Council	159	Funded	Bus manufacturer subject to outcome of procurement process by local transport authority or bus operator.
All Electric Bus Town or City Scheme	West Midlands Combined Authority	288	130 buses ordered	130 buses ordered from Alexander Dennis Ltd Bus manufacturer for remaining buses subject to outcome of procurement process by local transport authority or bus operator.
Transforming Cities Fund	Leicester City Council	18	18 buses on the road	Supplied by Pelican & Coach UK and manufactured by Yutong.
Transforming Cities Fund	Liverpool City Region Combined Authority	20	Ordered	20 buses ordered from Alexander Dennis Ltd.
Transforming Cities Fund	West Yorkshire Combined Authority	8	Funded	Bus manufacturer subject to outcome of procurement process by local transport authority or bus operator.
City Region Sustainable	Greater Manchester	50	Ordered	Alexander Dennis Ltd

<b>Funding scheme</b>	<b>Funding awarded to</b>	<b>No. Buses</b>	<b>Status</b>	<b>Bus manufacturer</b>
Transport Settlement	Combined Authority			
Ultra Low Emission Bus Scheme	Brighton & Hove Buses	20	Ordered	Wrightbus
Ultra Low Emission Bus Scheme	First West Yorkshire	9	On the road	Supplied by Pelican & Coach UK and manufactured by Yutong.
Ultra Low Emission Bus Scheme	Go North East	9	On the road	Supplied by Pelican & Coach UK and manufactured by Yutong.
Ultra Low Emission Bus Scheme	Nottinghamshire County Council	4	On the road	Alexander Dennis Ltd
Ultra Low Emission Bus Scheme	Stagecoach Manchester	32	On the road	Alexander Dennis Ltd
Ultra Low Emission Bus Scheme	The Big Lemon	3	On the road	Supplied by Harris Group and manufactured by Higer.
Ultra Low Emission Bus Scheme	West Yorkshire Combined Authority	5	On the road	Alexander Dennis Ltd
Local transport authority funding	Surrey County Council	34	Funded	Bus manufacturer subject to outcome of procurement process by local transport authority or bus operator.
Local transport authority funding	Hertfordshire County Council	1	On the road	Switch Mobility
Local transport authority funding	Transport for London	617		
<b>England Total</b>		<b>2,396</b>		

*\*In October 2021 the Government announced that Milton Keynes Council had been awarded funding from the ZEBRA scheme to introduce 56 electric buses and*

*charging infrastructure. The buses were due to be operated by bus operator Arriva and were to be part-funded by private finance through a Special Purpose Vehicle. The Department for Transport decided to wait for the details of the financing arrangements to be complete before releasing ZEBRA funding to Milton Keynes Council. In November 2022 Arriva informed Milton Keynes Council that they could no longer support the ZEBRA proposal in its current form. Since then, Department officials have been working with Arriva and Milton Keynes Council on the future of the project.*

Table 2 below presents information on the estimated number of zero emission buses that have been funded in Scotland, Wales and Northern Ireland since February 2020.

*The numbers in Table 2 are not official statistics: they are based on the latest information available and are therefore subject to change.*

Table 2

<b>Funding Scheme</b>	<b>Number of Buses</b>
UK Government funding for Wales through the Ultra Low Emission Bus Scheme	68
Welsh Government funding	16
Scottish Ultra Low Emission Bus Scheme	272
Scottish Government Funding	10
Scottish Zero Emission Bus challenge fund	276
Northern Ireland Executive Funding FY 2020-21	100
Northern Ireland Executive Funding FY 2021-22	38
Northern Ireland Executive Funding FY 2022-23	100
<b>Total</b>	<b>880</b>

#### **4. Avanti and the sale of off-peak tickets**

For fares set by Avanti, Government regulates the standard class off-peak return, standard class 7-day seasons and some 7-day travelcard seasons. For Avanti, peak single and return fares set by them are not regulated. This is standard practice across all operators.

Off-peak walk-up tickets are always available, however, the channels through which they are sold are managed in accordance with Avanti's mandatory reservations policy.

Specifically, Avanti applies mandatory reservations within their online reservation system. The online mandatory reservation system was introduced during the pandemic to support social distancing in line with Covid guidance. Avanti has since



chosen to retain this measure as it helps to spread demand across the day which reduces overcrowding and helps manage any short notice service changes required, such as following infrastructure failure or trespass.

This reservation policy sets the online sellable capacity for the number of seats available for each class of travel onboard the train (minus a quota to allow space for passengers using flexible tickets). When all seats for each travel class have been sold, it is no longer possible to buy a ticket online for that service and Avanti's website displays a '*sold out*' message. Passengers who nevertheless wish to take these trains are able to purchase a flexible walk-up ticket (including the regulated off peak fare if applicable) from the station on the understanding that there may well be no empty seats on the train, as has always been the case with walk-up tickets.

This policy is applied consistently across all services and on all days.

Earlier in the year Transport Focus highlighted its concern that the '*sold out*' message could lead customers to buy a more expensive class of ticket when reservable capacity had been reached for standard tickets. In response to this concern, Avanti now removes First and Standard Premium fares when Standard class reservable capacity sells out, despite the complications this creates for customers wishing to purchase premium fares.

Avanti has discussed with Transport Focus using different messaging on its online retail channels in response to differing scenarios. However, currently this is not possible due to limitations within industry systems. The industry is currently exploring solutions whereby once all tickets are sold with a seat reservation, open flexible tickets are then sold without a seat reservation with a clear message to customers regarding the implications of this. Avanti continues to work with industry partners to explore and develop this, or a similar approach, for its reservation system.

In line with its timetable recovery plan, Avanti is now operating an improved 264 daily train services on weekdays. This represents a significant step-up from the circa 180 daily services running ahead of last Sunday's change. All major routes have more services than before the August timetable step-down, including the restoration of its full service between Manchester and London (three trains per hour).

The introduction of these services will increase the number of seats on a typical weekday from 104,000 to 146,000. On Saturdays, seats will go up to 135,000 from 94,000 and on Sundays to 111,000 from 77,000. However, it is worth noting that passengers will not see the full benefits of this new timetable during current industrial action. The Minister for Rail wrote to all colleagues to set out the current situation on Avanti and short and long term improvement plans.

## **5. Timeline for post-Autumn Statement spending of the Department**

The Chancellor confirmed in his recent Autumn Statement that the Department for Transport's budget for the next two financial years remains unchanged. That means we will make around £20 billion of capital investments in transport infrastructure in each of the next two years and spend around £6 billion a year to operate the transport system and deliver vital transport services.

However, as I outlined during the oral evidence session, tough choices must be made to manage spending and inflationary pressures within existing Department

budgets. We need to bring stability to the economy, protect high-quality public services and build long-term prosperity for the UK.

I have been working with my Ministerial team and officials over several weeks to assess our portfolio of projects and develop a plan that delivers Government priorities for transport within our agreed spending envelopes. I am holding a series of meetings with the Chief Secretary to the Treasury to explore options for this plan.

We expect this process to continue into the New Year. I hope to be able to conclude the work as soon as possible, after which I will of course update the Committee on the outcome.

Throughout this process, I want to ensure that it focusses on delivering the right outcomes for our transport network – improving transport for those that use it across the whole country, delivering economic growth while levelling up our communities, and making progress toward our net zero goals.

## **6. Active Travel England’s statutory consultee status**

The Department has had very positive discussions on this matter with DLUHC in recent months and hopes to make an announcement outlining more details about Active Travel England’s role in the planning system shortly.

## **7. Seafarers Wages Bill and the use of port hopping**

The Bill’s provisions do not in any way detract from the UK’s commitment to our international agreements nor to the wider framework of United Nations conventions within which shipping and ports operate, and in the development of which the UK has long played a prominent role. Indeed, we do not consider that the Bill proposals interfere with rights and obligations under international law. Looking forward, we are also pursuing bilateral discussions with countries which have frequent maritime services to UK ports, as part of the Department’s Nine Point Plan, with a view to co-ordinating measures aimed at protecting the welfare of mariners with close ties to each country.

The Bill applies to services for the carriage of persons or goods, with or without vehicles, that call at a specific place in the UK at least 120 times per year. A concern was raised that this would allow “port-hopping” to circumvent the Bill’s requirements: in effect, splitting services between ports to keep the frequency at each below 120. While this cannot be entirely ruled out, we do not consider this likely to actually occur in practice, other than in exceptional circumstances, because it would not be commercially viable for an operator to change the service that it provides for the sole purpose of avoiding paying its seafarers a fair wage. Frequent services tend to require specific terminal facilities, and regular customers expect to see continuity. Expanding the scope of the Bill to cover services from a place outside the UK to anywhere within it, would overstretch the interpretation of a specific service, as a service is typically deemed a single service if it is calling between two specific places.

## **8. Civil Aviation Authority and consumer rights reform**

Protecting passengers when travelling by air is something I am committed to, including looking at the Civil Aviation Authority's (CAA) ability to intervene in consumer issues.

We consulted, as part of the Aviation Consumer Policy Reform Consultation, on whether the CAA should be given additional administrative powers to enforce consumer protection laws. We received a good number of responses and have been considering these across the range of proposals in the consultation.

We are also currently reviewing the CAA as part of the programme of reviews of sponsored bodies, focusing on assessing efficacy, efficiency, governance and accountability. The review will include looking at the CAA's effectiveness at enforcing consumer rights with its current powers.

The review was announced in August and we currently have an open public Call for Evidence which will help inform the review. This is due to close on 22 January 2023. A report will be published following completion of the review in Spring 2023.

Any change to the CAA's powers would require primary legislation.

## **9. Engagement with Local Authorities on rural bus services**

The Department seeks to ensure transport services in rural communities are appropriately prioritised, in a number of different ways.

For example, DfT is working with rural local authorities and has engaged with them on the Rural Mobility Fund, and will work with them on the Bus Service Operator's Grant consultation.

The needs of rural authorities have been given particular consideration as the Department considers funding for local authorities beyond April 2023.

We have engaged extensively with rural stakeholders on how new transport modes can benefit rural communities in developing the soon to be published Future of Transport: Rural Strategy.

As a Department, we have a network of Area Leads that work closely with Local Transport Authorities across England, both urban and rural, and we are also considering how we strengthen our links with local authorities and other Departments with a strong rural element.

The Department is also working closely with Transport East providing funding this year for their work focusing on rural connectivity including establishing a rural mobility centre of excellence.

There will be further engagement with rural local authorities and others when we share the interim findings of the Rural Mobility Fund Demand Responsive Transport pilot.

## **10. Update on Bus Service Network Review submitted by Local Transport Authorities from July**

To receive further recovery funding from the Department from April to October 2022, operators were required to work with local authorities to conduct network reviews that help to ensure networks are implemented which cater for the needs of the local public and are sustainable.

I can confirm that the Department carefully analysed all bus network reviews from Local Transport Authorities (LTAs), and this data helped to successfully negotiate for a further £130 million in recovery funding to continue supporting bus services until March 2023. These reviews also helped LTAs to reshape local networks to commercially sustainable levels and help prioritise where support should be placed in local areas.

## **11.HGV facilities and planning system**

The Government recognises the need to ensure hauliers have access to appropriate services and facilities. Driver welfare is a key element in making driving an attractive career choice and improving lorry parking facilities continues to be a vital component to this work.

There are three key aspects to this work that I wish to update the Committee on:

### Launch of the Department for Transport's Driver Welfare Match-Funding Scheme

- On 24 November the Department announced up to £100 million joint investment from government and industry in improving roadside facilities.
- The Department will invest £32.5 million match-funding to assist operators to improve HGV parking and facilities. This is in addition to the previously announced £20m National Highways match-funding. The funding takes the total Government investment in driver facilities to £52.5 million. The funding is going towards supporting operators to make improvements such as enhancing security, showers and eating facilities as well as possibly increasing spaces for lorry drivers.
- The DfT Scheme will allow operators to bid for between 25-50% of the cost of making site improvements in these areas.

### Driver Welfare Match-Funding Scheme eligibility

- Operators of existing lorry parks, Motorway Service Areas, Trunk Road Service Areas as well as some local authority operated parking facilities where applicable can bid for funding.
- Sites with an annual turnover below £632,000 (excluding fuel sales) will be eligible for 50% of the final improvement project cost. Sites with an annual turnover exceeding £632,000 (excluding fuel sales) will be eligible for 25% of the final improvement project cost.
- More information on disclosure of annual accounts can be found in the MFGS guidance: [HGV parking and driver welfare grant scheme - guidance and application form - GOV.UK \(www.gov.uk\)](https://www.gov.uk/guidance/hgv-parking-and-driver-welfare-grant-scheme-guidance-and-application-form)
- The funding applies to lorry parking operators in England.
- The funding is for three years 2022-2025.

### Improvements to the planning process for HGV parking and driver facilities

The Government is also determined that the planning system should play its part in meeting the needs of hauliers for lorry parking.

The Department for Transport has recently consulted on a revised Strategic Road Network Circular 02/2013 as set out in the Lorry Parking Written Ministerial Statement of 8th November 2021. This sets out enhanced roadside facility requirements for hauliers at Motorway Service Areas and increased provision of EV charge points. A Government response is due before the end of 2022.

As set out in the Future of Freight Plan, the Department is working across government to launch a Call for Evidence on 'Freight and the Planning System' to improve our understanding of what is working well and what changes could be made to improve planning for freight and logistics.

The Department continues to work with the Department for Levelling Up, Housing and Communities (DLUHC) to highlight the planning criteria and consideration for lorry parking with local authorities.

The Levelling Up and Regeneration Bill sets out a new legislative requirement for local authorities to produce an infrastructure delivery strategy to support their local plan. We intend for these to draw on local transport plans giving greater prominence to the importance of HGV parking and driver welfare facilities in local planning policies.

The Department will continue to engage with stakeholders including the freight associations and local authorities to encourage the development of more safe, secure, and high-quality lorry parking.

### **Clarification**

#### **Third Session Transport Bill**

I hope to clarify the position of my predecessor relating to Third Session legislation following our discussions at the session on 7 December. At the 19 October session she did not commit to bringing forward legislation in the Third Session, she stated she was bidding for it in her response to questions from the Chair of the Committee<sup>1</sup>.

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<sup>1</sup> Anne-Marie Trevelyan response to Q265 from Chair, Transcript of 'Work of the Secretary of State for Transport' oral evidence session, 19 October 2022