

Built Environment Committee
Public Transport in Towns and Cities (first report of session 2022-2023)

Government Response

Introduction

In welcoming this report, the Government would like to thank the Built Environment Committee for undertaking its inquiry. The Government fully recognises the importance of high-quality public transport in towns and cities. Strong public transport networks will improve living standards; regenerate high streets, city and town centres; increase access to public services; revitalise local economies; and make places healthier, greener and more attractive places. Transport was a key focus in the Government's Levelling Up White Paper, and the Government set itself the mission of, by 2030, bringing standards of local public transport connectivity across the country closer to those of London.

The extent to which the Government prioritises public transport in towns and cities is reflected in some of its major programmes. These include a £5.7 billion investment announced for eight of the largest English city regions outside of London through City Region Sustainable Transport Settlements (CRSTS); a £1.2 billion investment to help deliver Bus Service Improvement Plans (BSIPs); and the restoration of previously closed rail lines through the Restoring Your Railway programme.

Nevertheless, the Committee has, in numerous instances, drawn conclusions and made recommendations that the Government agrees with regarding ways in which public transport in towns and cities can be improved. For example, we share the Committee's view that public transport investment and objectives could be even more user-focused, which is why 'Improving Transport for the User' is one of the Department for Transport (DfT)'s five strategic priorities. The Department also recognises that, subject to future spending decisions, further work is needed to facilitate co-ordinated journey planning and ticketing information. In addition, we agree that improvements can be made to local transport planning, such that different modes of transport are integrated with each other and with other services and places in the community. As set out in the relevant responses below, DfT is taking significant steps in each of these areas.

It is important to emphasise the significant role that local authorities play in delivering and maintaining high-quality public transport services in towns and cities. As set out in the Levelling Up White Paper, the Government believes that strong local leadership can enhance opportunities in urban areas and is committed to strengthening and extending that model where possible. This is crucial in a transport context, where local needs and circumstances can vary significantly. As such, the Government's aim is to work collaboratively with authorities, transport operators and other stakeholders to address some of the issues identified in this report and improve our towns and cities' public transport networks.

The Government's responses to the Committee's conclusions and recommendations are set out in full below.

USERS

Conclusion / Recommendation 1

Regular commuting at peak times Monday to Friday on public transport has reduced, as has the number of trips made for business travel. Leisure trips at weekends and in the evenings have increased and, in some areas, exceed pre-pandemic levels. Depending on the local context, providing capacity to meet peak demand levels will continue to be important, alongside meeting demand spread throughout the day. (Paragraph 12)

The Government notes the Built Environment Committee's conclusion. As the pandemic has changed travel habits, transport providers need to adapt to passenger's new requirements. Train operators are using this opportunity to reassess their services to ensure they provide rail timetables that meet new passenger travel patterns, are fit for the future, and carefully balance cost, capacity and performance. The new timetables are demand-led and built with flexibility in mind, so if passenger numbers increase as we continue to recover from the pandemic, we can look to accommodate additional services. Where operators have modified their timetables, the changes will be kept under review and, where appropriate, adjusted to reflect fluctuations in demand. Train operators will work with their local markets wherever possible to find the best solution to suit the needs of the local community. DfT will continue to support operators as they develop demand-led timetables that can adapt to passengers' evolving needs, whilst also providing stability and making the running of the railways fairer for taxpayers.

For buses, it is for local bus operators in the majority of cases to set timetables and bus service levels in accordance with local need and circumstances, working closely with the Local Transport Authority (LTA). Through BSIPs, LTAs and their local bus operators are expected to ensure a level of service that meets passenger need. To support this the Government has incentivised all LTAs in England outside London to pursue an Enhanced Partnership - a statutory partnership between one or more LTA and their local bus operators - or a system of franchising. All authorities are pursuing at least one of these options, which will help to support the delivery of BSIP outcomes, including the better planning of bus services to meet local demand.

Light rail systems, meanwhile, are largely devolved and it is for local authorities and operators where appropriate to set timetables and service levels. Local authorities and operators are best placed to do this in accordance with local need and circumstances.

Conclusion / Recommendation 2

Public transport investment and objectives should focus on the factors which are most important to users: convenience, reliability, fares, punctuality, safety and frequency. (Paragraph 32)

The Government agrees with this recommendation. One of the DfT's five strategic priorities is 'Improving Transport for the User'. As such, the Department's aim is to deliver and maintain a transport system that is safe, reliable, joined-up and inclusive.

We need to put the needs and expectations of current and potential transport users at the heart of the operation of the transport system.

The 'Improving Transport for the User' strategic priority is supported by initiatives and significant investments across all forms of transport. As part of the Plan for Rail, DfT wants to simplify the current mass of complicated fares and tickets, whilst protecting affordable turn up and go tickets and season tickets. In addition, we are expanding the rail network with new stations, improved junctions and extra track. This will deliver direct benefits to passengers linked to the reliability, punctuality, frequency and convenience of rail services. Schemes such as the reopening of the Dartmoor Line, for example (funded through the Restoring Your Railway programme) are reconnecting communities. Meanwhile, the ongoing Transpennine Route Upgrade will provide a more reliable and lower carbon railway. We have built new stations in Ceredigion and Country Durham, and are developing further projects across England and Wales.

The National Bus Strategy ('Bus Back Better') set out a bold vision for bus services across the country. One critical objective of the strategy is the growth of bus use and to encourage modal shift, by making services more reliable, better co-ordinated, safer and cheaper; and the Government has made over £1 billion available to deliver on these objectives. All Local Transport Authorities in England outside London have produced BSIPs. It is mandatory that these plans are informed by the views of passengers and report on the performance of local bus providers. DfT has made clear that plans should be updated at least annually to ensure they remain relevant and up to date.

However, Improving Transport for the User means improving the multi-modal, end-to-end journeys that people undertake, as well as focusing on different modes of transport independently of each other. As such, integrated transport planning is a key DfT focus in the coming years. The DfT is supporting LTAs to develop Local Transport Plans (LTPs) that integrate different modes of transport with each other, and with key services and places in the wider community, such as housing and public spaces.

Meanwhile, many of DfT's interventions to improve public transport in towns and cities give local leaders the freedom to prioritise improvements to their networks according to local need, without restricting this support to specific modes of transport. This includes large-scale interventions, such as the £5.7 billion investment in the transport networks of eight of the largest English city regions outside of London from 2022/23 to 2026/27 through the CRSTS programme, or smaller-scale interventions, such as the £170m per year granted to local authorities on a formula basis to implement improvements (e.g. to highways, junctions and traffic signalling) through the Integrated Transport Block.

The DfT also provides local highways authorities with £915m a year to ensure that local roads- on which nearly all journeys begin and end- are in good condition.

Conclusion / Recommendation 3

Improving the safety of stations, stops and interchanges by ensuring that they are clean and well-lit should be a priority for operators and local and national

government. The fear of abuse and harassment can deter women in particular from using public transport. (Paragraph 33)

The Government agrees with this recommendation. DfT works closely with transport partners on a range of initiatives to address issues of safety faced by different users, including women and girls, on the transport network.

In July 2021, the Government appointed the independent Violence Against Women and Girls (VAWG) Transport Champions, Laura Shoaf (Chief Executive, West Midland Combined Authority) and Anne Shaw (Executive Director for Transport for West Midlands). In March 2022, the VAWG Transport Champions published 13 recommendations on how we can improve the safety of women and girls on the transport network, and below are examples of how the DfT is working to deliver the ambition set out in these recommendations.

We expect these initiatives, and others, will make the network more welcoming not just to women and girls, but to all transport users who may at times feel unsafe. It is a fundamental part of the Government's strategic objective to 'improve transport for the user'.

Street Safety

Streets are the means by which people access public transport as well as providing infrastructure such as bus stops, hence they can largely influence perceptions of safety. The Government is working on the following initiatives specific to streets:

- **Manual for Streets:** Our key piece of design guidance with measures and approaches that may help streets feel safer. The department ran a call for evidence which concluded on 15 September 2021, requesting information and evidence on design features that would help make streets feel safer, to inform the revision of Manual for Streets. The results have been analysed and publication is expected in early 2023.
- **Safer Streets Fund:** Since launching the fund in 2020, the government has invested £120 million for a range of crime prevention measures across England and Wales. These include: CCTV; street lighting; and more innovative approaches including educational campaigns to change behaviours and raise awareness.
- **StreetSafe:** An online tool, launched by government in September 2021, that allows the public to anonymously report areas where and why they feel unsafe. The information gathered is then used to inform local decision-making. To date, approximately 23,000 reports have been submitted using the tool.

Station design

Improving infrastructure is another key area set out in the recommendations. DfT's Secure Stations Scheme is an opportunity for rail station operators to demonstrate their work with partners to reduce crime and play a greater role in safeguarding people at stations. Having an accredited station assures both passengers and staff that the station is designed in a safe and secure environment.

DfT is currently reviewing “Design Standards for Accessible Railway Stations” which sets out the accessibility standards that the industry must comply with whenever they install, replace or renew station infrastructure. This includes standards for better lighting and other safety related features. DfT has also secured funding to install platform edge tactile safety strips at all GB stations that do not currently have them or are not due to have them installed as part of another enhancement project. This will be complete by the end of 2025. On top of this, through the Access for All programme the Department will have delivered step free accessible routes at over 300 stations by 2024. The Department is now assessing over 300 nominations received for funding beyond 2024.

Guidance

As highlighted by the VAWG Transport Champions, national transport planning guidance can help make transport infrastructure safer. Local authorities, in most cases, are responsible for planning, designing, delivering and maintaining local transport infrastructure. DfT is issuing new guidance for creating which improve transport for the user, with personal safety fundamental to this.

Furthermore, in January 2022, the Department published an updated version of ‘Inclusive Mobility: a guide to best practice on pedestrian and transport infrastructure’. This includes guidance on bus stop and station location, layouts, and information provision, to be considered in the creation of an inclusive environment. It includes specific guidance that bus shelters should be made mainly of transparent material and be well lit at night for users’ personal security.

In addition, the DfT is undertaking research on the accessibility and safety of bus stations and stops, to continue to build evidence of the challenges faced by different users while travelling by bus.

Conclusion / Recommendation 4

Mobility hubs provide shared, private and public transport options in one location and enhance connectivity across modes. Local authorities should consider incentivising bus operators to deliver mobility hubs at bus stations through Enhanced Partnerships or franchising schemes. (Paragraph 41)

The Government notes this conclusion.

The National Bus Strategy requires the BSIPs from LTAs to set out plans for modal integration and improvements to planning bus services, based on local needs and circumstances. In some cases, we have, based on these Plans, awarded funding to authorities to support the development of mobility hubs, including in Derbyshire and Norfolk. In these cases, it is the LTA’s responsibility to deliver the scheme. The Department expects bus services to serve mobility hubs effectively, and for all requirements of the Enhanced Partnership or franchising plan to apply to these services.

Conclusion / Recommendation 5

It is a matter of real concern that in some large cities, passengers are not able to access coordinated timetable information on bus services provided by different operators. It would be beneficial for local authorities and operators to enable passengers to access a coordinated timetable to plan their journeys. (Paragraph 46)

The Government agrees with this conclusion.

In 2020, the Public Service Vehicles (Open Data) (England) Regulations were passed, which utilised powers from the Bus Services Act to require bus operators in England (outside London) to share their high-quality, accurate and up-to-date timetables, fares, and location data. The Bus Open Data Service was created in November 2020 to act as a repository of this information. The National Bus Strategy highlights the role of the Bus Open Data Service in supporting the creation of transport apps which enable passengers to see all available services to take them to their destination. The Strategy also set out how LTAs should consider strong network identities, including route branding and common numbering systems to make services simpler and easier to understand. Authorities and operators should also work together to eliminate poor connections and uncoordinated timetables. LTAs that did not receive an indicative BSIP funding allocation have been provided with a funding grant to ensure they have good internal capacity and capabilities on bus delivery, enabling them to work with operators to deliver a better co-ordinated and integrated network.

The DfT has also developed a timetable tool that allows operators that are without a scheduling system to provide data to the Bus Open Data Service, no matter their technological proficiency.

CONNECTIVITY

Conclusion / Recommendation 6

Demand-responsive transport (DRT) is a form of shared public transport where vehicles alter their routes based on users' needs without a fixed route or timetable, similar to a 'dial a ride' service. Evidence from recent trials of DRT—including in Oxford and the 'fflecsi' programme in Wales—will enable the Government to assess whether similar services could be beneficial in some suburban areas. (Paragraph 54)

The Government agrees with this conclusion. The DfT's £20m Rural Mobility Fund is supporting 17 innovative, demand-led minibus trials in rural and suburban areas across 15 local authorities in England. These pilots are exploring whether DRT can serve these communities more effectively than traditional public transport solutions alone. Each scheme is taking part in a detailed monitoring and evaluation process. This will provide a strong base of evidence and good practice for DRT and a better understanding of both the role it can play and the challenges associated with introducing it.

Conclusion / Recommendation 7

Sharing operational data on public transport services can help to plan and deliver a better service for users. However, data provision is patchy in different regions and real-time service updates are not always available, as operators are not obliged to share data they hold. In some cases, real-time service performance data is not collected at all. Whilst recognising competitive constraints, improvements to data sharing could benefit passengers, by providing more accurate live information, and operators, by growing demand and enabling them to plan and deliver services more efficiently. (Paragraph 66)

The Government agrees with this conclusion. Access to real-time service updates is important and existing provision can be improved. DfT and partners are focused on ensuring all operators provide accurate and robust data to the Bus Open Data Service.

The Government also agrees that bus operators should extend the range of data that they share, with a focus on vehicle attributes like accessibility, occupancy, on-board facilities and emissions. This would be beneficial for customers and support analysis.

Operators and LTAs can plan and deliver services more efficiently using the Analyse Bus Open Data Service; a DfT tool which consumes the Bus Open Data Service datasets and provides analytical insights for users on the performance off bus routes using an algorithm that evaluates how late, early or on time buses are at each stop along a service's route.

TICKETING

Conclusion / Recommendation 8

A multimodal, multi-operator zonal ticketing system in each large town or city—where fares are set depending on the zones a passenger moves through—would make it considerably easier to deliver contactless ticketing. This would increase the attractiveness of public transport to passengers. The Government should provide an evaluation of the costs and benefits of implementing a multimodal zonal ticketing system for large towns and cities in England. (Paragraph 80)

The Government notes this recommendation, recognising that convenient, easy-to-understand ticketing makes a significant contribution to an attractive public transport network. In the Levelling Up White Paper, the Government set out a mission to bring the standards of local public transport connectivity across the country closer to those of London, including a focus on simpler fares and integrated ticketing.

While many towns and cities share common issues, including the need to better integrate local public transport services, solutions are likely to vary between places. It is for local areas and operators to consider the costs and benefits of specific integrated ticketing solutions and implement systems which meet local needs, utilising Government support.

Bus journeys, for example, tend to be shorter in distance, meaning a zonal model may not be the most appropriate solution (it is worth noting that the London ticketing model applies zonal fares for rail and underground services only, with a flat fare with Pay-As-You-Go capping in place for bus and tram and a range of capping options for multi-modal journeys). Further, sites which generate high numbers of bus trips, such as hospitals and education may be outside of a central location, also meaning a zonal model may not be a good fit in those circumstances.

The Government is nevertheless supporting local Enhanced Partnerships and Franchising authorities in their efforts to simplify fares, as part of a £1.2 billion investment programme in bus service improvements. Measures within BSIP programmes include funding support for local fares and ticketing initiatives; in most cases, introducing a simplified regime as part of a package of discounts offered to the public, and in some cases, working with operators to deliver technology which will enable contactless, capped fares in an environment with variable fares. Some operators have already implemented a flat fare structure, such as National Express in the West Midlands, with further proposals indicated in BSIPs. Subject to the development of an approved business case, potential Government support may be available for an investment in an IT solution to support multi-operator ticketing on local bus and/or light rail networks.

On rail, the DfT is modernising rail ticketing through the expansion of Pay-As-You-Go (PAYG) in urban areas and increasing the availability of digital point-to-point ticketing, working with industry on the barcode expansion programme. The Department's commitment to Urban PAYG includes the delivery of contactless pay-as-you-go to around 200 additional stations in the South-East, and tap-in and tap-out ticketing to stations across the country. More widely, the Department is working with stakeholders and local authorities to ensure that these PAYG offerings best suit their local areas, and zonal ticketing may form a part of that solution (as it currently does in London). Whilst the focus of these projects is on PAYG for rail, we see this as an essential stepping-stone towards unlocking multi-operator, multi-modal ticketing in urban areas around the country.

Conclusion / Recommendation 9

The option to pay by cash will need to remain available in the foreseeable future. As contactless payment becomes more widespread, operators should ensure that buses, trams, trains, taxis and other modes continue to provide a way for cash users to purchase tickets. (Paragraph 82)

The Government partially agrees with this recommendation. On local bus networks, passengers are showing an increasing preference for contactless payment methods. Nevertheless, across the population there is considerable variation in access to bank accounts, contactless cards and smartphone. Furthermore, some users have a preference to use cash to help manage budgets or other concerns over electronic payment.

The experience in London has proven that cash payments can be removed from a bus network with minimal impact, on the basis that adequate alternative payment methods

are provided. However, this will vary by local factors, including density of payment and ticket issuing facilities. All LTAs are now establishing an Enhanced Partnership or franchise, giving LTAs a greater opportunity to ensure ticketing products are suitable for their local area. Service providers should ensure that a range of convenient payment options is available.

On rail, the Plan for Rail White Paper outlines the changes and modernisation needed for fares, ticketing and retailing (FTR) to simplify and improve the passenger experience. Passengers should have access to a ticketing system which is user-friendly, where help and advice from a trained representative is available and is accessible to all. As modern ticketing and payment methods are rolled out more widely, we will continue to ensure all passengers who need to use cash, or do not have access to a smartphone or the internet, can buy a ticket.

Transport operators should work with their local authorities to ensure that the social impacts of changing payment facilities are fully appraised, with mitigations provided where necessary. We continue to work with rail and bus operators, as well as their partners and suppliers, to understand the benefits, costs and feasibility of any alternative payment methods proposed in lieu of cash.

Conclusion / Recommendation 10

The Government must publish its proposed review of the benefits and costs of providing concessionary travel to different user groups, which is overdue. The review should consider where concessionary fares could best be targeted to maximise societal benefits. (Paragraph 86)

The Government notes this recommendation. The English National Concessionary Travel Scheme (ENCTS) is enshrined in primary legislation, the policy for which is owned by the DfT. The scheme is funded by the Department of Levelling Up, Housing and Communities (DLUHC) local government finance settlement and administered by Local Authorities.

In the National Bus Strategy, the Government committed to reviewing aspects of the scheme. The Department now has work underway to launch this wholesale review of ENCTS in 2023, part of which will look at the value for money of ENCTS, as well as reimbursement guidance, appeals and the reimbursement calculator. DfT will consider the conclusions of the review to help inform any future targeted concessions.

LOCAL GOVERNMENT AND PLANNING

Conclusion / Recommendation 11

We heard evidence that the Government's ambition for 'London-style' public transport throughout England would be difficult to achieve under the current deregulated environment. Initiatives such as enhanced partnerships are a step in the right direction as they provide an opportunity for operators and local

authorities to collaborate to improve services. Local and central government should monitor their effectiveness. (Paragraph 104)

The Government agrees with this recommendation.

76 LTAs in England have committed to delivering better bus services, as set out in their BSIPs, through an Enhanced Partnership (EP) under the Transport Act 2000. Each LTA is required to update its BSIP every 12 months, to ensure that EPs and BSIP ambitions take proper account of the changing needs of local people.

34 LTAs have been allocated over £1 billion to deliver the aims and objectives set out in their BSIPs. A DfT Relationship Manager has been appointed to each LTA to provide further ongoing support and guidance and to monitor progress, ensuring that BSIP ambitions are delivered on the ground through the EP and that any risks to delivery are identified and properly addressed.

A Relationship Manager has also been allocated to each of the remaining 45 LTAs that did not receive funding to help them manage their EP arrangements and improve their BSIP, so that they may be more successful in attracting future funding and applying it through their EP. Since September 2022, DfT has also conducted surgery sessions with 38 of those LTAs, to provide further advice on how their BSIP can be improved and how EPs can facilitate fruitful relationships between all local stakeholders. As with the funded areas, the relationship managers will rigorously monitor progress in each area.

Conclusion / Recommendation 12

Some areas may seek to move towards a franchise system, where the local authority specifies the bus services to be provided, determines the routes, timetables and fares and operators deliver these following a competitive tendering process. As with enhanced partnerships, the Government should keep under review the value for money and effectiveness of bus franchising. (Paragraph 105)

The Government agrees with this recommendation.

The Transport Act 2000 provides access to franchising powers for all Mayoral Combined Authorities (MCAs) in England. Non-MCAs can also request access to those powers if they can satisfy the Secretary of State for Transport that they have the capability and resources to do so, and that it will better deliver service improvements for passengers. No LTA has yet sought such access.

Currently, the Greater Manchester Combined Authority (GMCA) is the only authority to complete the legislative process and, in March 2021, took the decision to franchise their local bus services. GMCA is currently going through the implementation process, which they expect to complete by 2025. A further four MCAs are also developing franchising assessments. Each of those authorities has been allocated a DfT Relationship Manager, who will monitor the development of their franchising business case, and, if they subsequently decide to implement franchising, the effectiveness and value for money of the franchised network.

Conclusion / Recommendation 13

Effective integration of land use and transport planning will be key to ensuring that new developments encourage public transport use. In some cases, this may involve increasing housing density or building around existing public transport links. (Paragraph 115)

The Government agrees with this conclusion. See Conclusion / Recommendation 14 for a more detailed response.

Conclusion / Recommendation 14

Given competing demands and timeframes faced by local authorities, spatial and transport planning can be disjointed. To help integrate transport planning, the Government should formally link the production of Local Transport Plans with Local Plans. (Paragraph 116)

The Government notes this recommendation.

Integrated planning is an essential component of the DfT approach for the future LTPs. Transport is rarely an end in itself. Its purpose is almost exclusively to enable other activities, social interactions and economic growth. As such, local transport must be integrated with key services and the wider built environment, including housing, jobs, public spaces, energy, and utilities. Critically, DfT recognise that LTPs and Local Plans need to be better aligned so local authorities are capable of planning for and delivering the infrastructure needed to support growth.

DfT is developing and running a consultation on new LTP guidance that will set out how LTAs need to engage proactively and positively with the relevant Local Planning Authorities (LPAs). LTPs should play a key role in evidencing and informing strategic growth ambitions outlined in Local Plans. Where practical, the development of LTPs and Local Plans should be aligned.

The Transport Decarbonisation Plan recognised that government has a role in helping LPAs and LTAs to work jointly to better plan for sustainable transport and develop innovative vision led transport policies to drive sustainable growth. To achieve integrated transport planning, mutual levels of engagement and buy-in between LTAs and LPAs are required. That is why the DfT and the DLUHC are working closely on the reforms to the Levelling Up and Regeneration Bill and changes to the planning system more broadly. The Bill will require local authorities to prepare strategies for delivering local infrastructure and spending Levy proceeds, as well as providing an opportunity for Local Plans to fully consider LTPs. The Bill will also require that local authorities seek the assistance of infrastructure providers and other bodies in devising these strategies and their development plans. With changes to both the LTP statutory guidance and planning systems underway, it would be sensible to allow these to embed and to evaluate its effectiveness in delivering better integration before exploring other options.

Active Travel England (ATE), a new executive agency from Spring 2023, will also play a critical role in aligning local authority approaches to planning for and delivering better outcomes for pedestrians, wheelers and cyclists. Alongside the new Manual for Streets, they will take the lead in creating a built environment that prioritises the needs of active travel to empower communities to make different choices in how they travel. As a statutory consultee in the planning system, ATE will work closely with local authorities and developers to realise our ambition to make walking, wheeling and cycling the first choice for journeys.

Conclusion / Recommendation 15

We reiterate our recommendation in our previous report, Meeting housing demand, that any system to replace Section 106 agreements and the Community Infrastructure Levy should ensure that the resources raised are spent on delivering affordable homes or necessary infrastructure early in the development and are tied to identified needs. We are concerned that the new Infrastructure Levy could have some of the same disadvantages as the Community Infrastructure Levy. (Paragraph 118)

The Government notes this recommendation.

The Levelling Up and Regeneration Bill will replace the current system of developer contributions with a more streamlined, mandatory, and locally determined Infrastructure Levy. The Government is committed to the new Infrastructure Levy securing at least as much affordable housing as developer contributions do now.

The Government wants to make sure that more of the money accrued by landowners and developers goes towards funding the local infrastructure – affordable housing, schools, GP surgeries, and connectivity – that new development creates the need for. A new ‘right to require’ will enable LPA to set out what proportion of the Levy they want delivered as affordable homes. This will afford greater protection to policy compliant levels of affordable housing, which are often negotiated downward on viability grounds in the existing system.

To strengthen infrastructure delivery in responding to local need the Bill will require local authorities to prepare infrastructure delivery strategies, which will be set out in the regulations. These will set out a strategy for delivering local infrastructure and spending Levy proceeds. The Bill will also enable local authorities to require the assistance of infrastructure providers and other bodies in devising these strategies, and their development plans.

The Levelling Up and Regeneration Bill provides the framework for the new Levy, and the detailed design will be delivered through regulations. The Levy will be charged on the value of property at completion and applied above a minimum threshold. Levy rates and minimum thresholds will be set and collected locally, and LPAs will be able to set different rates within their area.

This will allow developers to price in the value of contributions into the value of the land, allow liabilities to reflect market conditions, and remove the need for planning obligations to be renegotiated if the gross development value is lower than expected;

while allowing LPAs to share in the uplift if gross development values are higher than anticipated.

The Infrastructure Levy will be a more efficient system, sweeping away the sometimes-protracted negotiation of section (s)106 planning obligations. It will be more transparent, as Levy charging schedules will make the expected value of a contribution clear up front. It will also make it clear to existing and new residents what new infrastructure will accompany development and to developers what infrastructure will be required to make development acceptable. This will ultimately create a more consistent system, which removes unnecessary delay and provides additional funds to local communities.

A forthcoming consultation sets out proposals for the detailed design of the different elements of the Infrastructure Levy, which will be set out in regulations. The design that is set out has been informed by responses to the consultation on the Planning for the Future White Paper and direct engagement with key stakeholders.

Conclusion / Recommendation 16

The inquiry reports a consensus among experts and policymakers that a reduction in trips by private car of the order of 30% is needed to help meet net zero targets. However, there are various contributing sets of evidence that point to different conclusions and, as yet, there is no target recommended by Government. The Government's policy of promoting the use of electric cars will help work towards net zero, although electric cars would still contribute to congestion and pollution from tyres and brakes. (Paragraph 131)

The Government notes this conclusion. See conclusion / recommendation 17 for a more detailed response.

Conclusion / Recommendation 17

While the Government does not have an official, national target for a reduction in car journeys, some local authorities have adopted local targets for their areas. The Government should provide a clear statement of its policy on journeys made by car, as it has for active travel, bus and rail journeys. (Paragraph 132)

The Government notes this recommendation. In the Transport Decarbonisation Plan, the Government committed to measures that would improve travel choices – including support to “shift to public and active transport” in recognition that many people wish to use their cars differently. Sustainable travel alternatives can reduce carbon emissions and help address wider issues like congestion and poor air quality. DfT’s investment programmes are helping to alleviate these issues and improve travel choices.

Locally, authorities have powers to implement measures to support improved choices, which can be tailored to the local needs of communities, as well as economic plans. Each locality will have slightly different travel challenges, for example authorities in more urban areas will face challenges quite different to those of more rural areas and it is right that they have the powers to design local solutions for local issues. The

Government will continue to engage with local authorities to understand what works and how it can help local authorities to deliver better outcomes for road users.

The DfT remains committed to facilitate this change in approach and we continue to work with DLUHC to identify how we can best support local authorities to develop innovative sustainable transport policies as part of the planning process, how this can be used to support local plan making and better assess planning applications including how to better monitor local transport outcomes to deliver on our ambitions for sustainable transport use.

Conclusion / Recommendation 18

An uncoordinated approach to public transport policymaking in Whitehall has left local areas with often irreconcilable targets—for example on allocating road space to bicycles and buses. This can be a drain on resources in local transport authorities, an inefficient use of road space, and can cause delays and congestion. (Paragraph 138)

The Government notes this conclusion.

LTPs will include integration of relevant plans and strategies to ensure that local transport planning is coherent. As a minimum, this should include Local Cycling and Walking Infrastructure Plans (LCWIPs), BSIPs and Electric Vehicle Charging Strategies. LTPs will bring together potential interventions from these different plans and strategies and identify options for combining them where this will provide delivery and/or cost benefits. Road space allocation is one area where integration at an early planning stage will be beneficial.

DfT is also implementing new powers for combined authority and combined county authority mayors, allowing them the option of becoming the key decision-maker for their Key Route Networks. Under the changes, mayors would be provided with a power to direct local authorities in their area to use their highway powers to take forward particular schemes on the Key Route Network. This will assist mayors' ability to deliver on the commitments in their LTPs and wider plans for the area.

DfT is also updating the Manual for Streets (MfS). This is the Department's key piece of guidance on designing streets that put place above movement.

MfS includes a hierarchy that puts consideration of the needs of people walking and cycling, then using public transport, at the top. The updated Manual is likely to focus on an outcomes-based approach, in which the street and all its users are considered holistically. This approach will help local authorities trying to balance the needs of different modes at a more strategic level. The updated MfS is due to be published early next year.

FUNDING AND APPRAISAL

Conclusion / Recommendation 19

While light rail schemes appear to be more effective at generating modal shift from the car than bus-based schemes, their high costs mean that they are unaffordable in many areas. If effective, the very light rail system under development in Coventry has the potential to overcome this disadvantage. The Government should monitor the trials of this pilot system to assess its effectiveness in achieving the advantages of light rail with reduced capital outlays, with a view to providing further support. (Paragraph 147)

The Government partially agrees with this recommendation and recognises many of the Committee's findings regarding Light Rail. This includes the key interrelationship between perceived attractiveness of Light Rail solutions and the higher, often unaffordable, costs associated with delivering and operating these systems.

The Committee identifies the potential of light rail to encourage modal shift from cars and as a tool for regeneration. The Government would add that Light Rail has the potential to be a zero emission choice that can give people in our highly urbanised areas better, faster and more reliable connections to employment opportunities, healthcare, education and leisure activities.

As the Committee rightly highlights, in many cases delivering the potential benefits of Light Rail for users can come at a considerable financial cost. The Report mentions that proposals for a light rail service in Oxford would have cost £34 million per mile to construct and that improvements to the bus network were favoured as a result instead. The Government would highlight that the financial drawbacks widely associated with Light Rail schemes are particularly pronounced for new system proposals.

Where light rail systems already exist and/or there is existing infrastructure, there is often greater scope to reduce delivery costs for extensions and enhancements.

When considering the cost of Light Rail systems, it is important to further consider the cost of operating these systems once they are built. Generally, DfT expects that a ridership of 2,500 to 3,000 passengers per hour in each direction is necessary for a Light Rail scheme to be cost effective. Partly because of changing travel patterns post-pandemic, there are considerable financial pressures across the light rail sector. This should be a consideration for local authorities looking at proposals encompassing Light Rail. The benefits Light Rail schemes can bring to transport users will not be realised if those systems are unaffordable to sustain in the long term.

It is largely because of this interrelationship between desirability and cost that DfT is mode neutral in relation to mass transit schemes. This means the Department does not favour at the outset any particular modal solution that local authorities may propose to address challenges or opportunities in local transport corridors. We encourage local authorities to adopt the same approach in order to identify transport solutions which are proportionate and deliver lasting, sustainable results for users.

We also apply this principle of mode neutrality to Coventry City Council's Very Light Rail scheme. West Midlands Combined Authority's Very Light Rail Regional Package, which includes Coventry's Very Light Rail scheme, has been allocated £71.5 million through the region's CRSTS. It is for Coventry City Council to demonstrate through the business case process that Very Light Rail is the optimum solution to deliver local

transport improvements in the area. For Coventry Very Light Rail, business cases are subject to Ministers' approval and the Department is working closely with Coventry City Council to assure this scheme.

Other local authorities considering mass transit solutions to address local challenges should adopt a mode neutral approach, including towards any potential Very Light Rail modal options.

Conclusion / Recommendation 20

In some cases, bus rapid transit schemes can provide the benefits of reliability and priority of a light rail system at a lower cost and with more flexibility. The Government should undertake robust post-project evaluation of bus rapid transit schemes to assess the extent to which they provide comparable levels of service to light rail, with a view to providing further support. (Paragraph 152)

The Government partially agrees with this recommendation, recognising the Committee's findings that bus rapid transit can potentially provide a lower cost and more flexible mass transit alternative to Light Rail.

As set out in our response to Recommendation 19, local authorities should adopt a mode neutral approach to developing mass transit options which could improve journeys, options and opportunities for local users. As part of this approach, it could be appropriate for light rail and bus rapid transit options to be comparably assessed. Local authorities should consider a range of options.

It is important that such an approach is adopted afresh when potential mass transit opportunities emerge in a particular place. Challenges, circumstances and opportunities differ across places and it for local authorities to identify the most appropriate solution.

Given schemes should be tailored to localities, a Government-led post-project modal evaluation of bus rapid transit schemes would likely be of limited comparable value. Such an exercise, particularly if done generally and with reference to light rail, may also risk breaching the principle of mode neutrality which is in place to help local authorities identify proportionate interventions for their areas.

Conclusion / Recommendation 21

We welcome the Government's commitment in the Levelling Up White Paper to developing local public transport across the country to bring it "significantly closer to the standards of London". We are concerned, however, by the disparity in levels of funding between local transport in London and other major conurbations. The Government has recently committed to a number of new funding streams for public transport. After the Chancellor's autumn statement on 17 November, we intend to revisit this issue to examine current and future spending on public transport at a regional level and consider the inequalities. We will write to the Government setting out our recommendations on this matter before the end of the year. (Paragraph 158)

The Government notes this conclusion, and the Committee's intention to set out recommendations in writing.

The Government has announced a £5.7 billion investment in the transport networks of eight of the largest English city regions outside of London from 2022/23 to 2026/27 through the CRSTS programme.

Conclusion / Recommendation 22

The end of the emergency pandemic funding for bus services could lead to reductions in bus services of around 20% from March 2023. This would have a detrimental effect on users, and risks hitting the areas most in need of further economic development hardest. The Government must take action to ensure that the provision of a good standard of bus services is maintained: there is a risk that cutting services could lead to a downward spiral of steadily reducing demand. (Paragraph 165)

The Government partially agrees with this recommendation.

As the Committee recognises, the Government has provided nearly £2 billion in emergency and recovery funding to the bus sector to mitigate the impacts of the COVID-19 pandemic. However, we recognise the need to provide long-term certainty and support to the sector that reflects travel and work patterns that have emerged during the COVID-19 pandemic.

DfT is actively considering long-term support for the bus sector from April 2023, with a view to ensuring provision of high-quality bus services and delivering on the ambitions set out in the National Bus Strategy.

We hope to set out more clarity on future bus funding by January 2023, to give LTAs and bus operators adequate time to take decisions on any changes to services in line with their obligations to the Traffic Commissioner.

Conclusion / Recommendation 23

The system of competitive bidding for transport funding can be a drain on limited resources and there is evidence that it favours larger authorities with more skills and expertise. We also heard that the need to bid repeatedly for separate pots of funding inhibits long-term, strategic transport planning. The Government should examine the feasibility of transferring to a system of periodic block grants. Wherever bidding processes remain in place, they should be simplified to reduce the burden on local authority resources. (Paragraph 183)

The Government partially agrees with this recommendation. The Government acknowledges that the current local growth funding landscape is overly-complex, with multiple competitive pots for local growth funding leading to inefficiencies, decision-making complexity, and reporting burdens for local authorities. Initial steps have been taken to address this complexity in the funding landscape; for example, the Levelling Up Fund provides cross-departmental capital investment in local infrastructure.

Transport has led the way in developing consolidated funding streams; for example, through CRSTS for devolved mayoral combined authorities and consolidated block funding for highways maintenance and integrated transport interventions.

DLUHC is currently developing a funding simplification plan to be published later this year, in line with the timetable defined in the Levelling Up White Paper. DfT is working closely with DLUHC to shape this proposal and assess how transport funding feeds into this broader picture. This may involve a move towards more consolidated funding pots. The funding simplification plan will be guided by the following principles: reducing the unnecessary proliferation of individual funding pots with varied delivery approaches; streamlining bidding and supporting greater alignment between revenue and capital sources; ensuring places have robust ongoing monitoring and evaluation plans for the impact and delivery of investments and spending; and tailoring investment and delivery to the local institutional landscape of each nation of the UK.

Conclusion / Recommendation 24

After asking local transport authorities to be ‘ambitious’ in their Bus Service Improvement Plans, the Government provided £1.2 billion of funding. This is less than half the £3 billion local authorities were expecting, with £419 million of the original funding diverted to maintaining bus services during the pandemic. It is difficult to see how local transport authorities and operators will be able to meet the ambitions and objectives of the National Bus Strategy within these funding constraints. (Paragraph 184)

The Government notes this conclusion but disagrees that only half of expected funding was provided. In February 2020 the then Prime Minister announced that £3bn of new funding would be invested in buses in England outside London over the lifetime of the current parliament.

In March 2021, the National Bus Strategy (NBS) set out that this funding would be allocated to:

- Bus priority schemes to speed up journeys;
- Supporting new and increased services (with at least £300m of funding to support the sector’s recovery from the pandemic in 2021/22), this includes:
 - more frequent services, including in the evenings and at weekends;
 - lower and simpler fares;
 - making services easier to understand, including common route numbering systems, branding, publicity, apps and timetables, along with simple, high-frequency trunk services rather than lots of low-frequency services combining together.
- Accelerating the delivery of zero emission buses (with £120m invested in 2021/22);
- Giving LTAs the skills and people they need to deliver the strategy.

The table below, which was provided to the Transport Select Committee in June 2022, summarises how the full £3bn has been allocated to the categories set out in the NBS, taking into account the capital funding to support BSIP delivery provided through CRSTS. £571m of the £3bn was allocated to Covid emergency and recovery funding, part of a total of nearly £2bn of such funding that the Government provided.

	(£m)	2020/21	2021/22	2022/23- 2024/25	TOTAL
Journey improvement infrastructure		24	-	493	517
Services and fares		144	501	645	1,290
ZEBs		50	270	205	525
Skills and delivery		-	25	15	40
CRSTS bus funding (estimate)		-	-	780	780
TOTAL		218	796	2,153	3,152

Note: £571m of the 'services and fares' category comprises Covid emergency and recovery funding.

BSIPs are designed to be long-term plans, updated annually, not one-off bidding documents. We are therefore also encouraging LTAs to seek funding from a range of sources, such as the Levelling Up Fund, where possible.

DfT would also highlight that there are important ways in which operators and authorities can serve the fundamental ambition of the NBS that is, to drive improvements for passengers- through low or no-cost measures, as discussed under conclusion/recommendation 5 above. Such measures include the creation of a Bus Passenger Charter, giving bus users rights to specified standards of service. We expect all Enhanced Partnerships to contain a commitment to developing one of these documents.

Conclusion / Recommendation 25

Central government communication of the appraisal process, including to local transport authorities, must be improved. The Government should routinely be providing unsuccessful regions with feedback on their applications and providing support to areas which are struggling to secure funding. This should give stakeholders more confidence that the results of this process are justified. (Paragraph 190)

The Government notes this recommendation. DfT already seeks to provide local authorities with constructive feedback. For example, following Round One of the Levelling Up Fund, DfT and the DLUHCs offered detailed feedback to unsuccessful applicants, allowing places to understand where improvements could be made to support them in future funding competitions. To provide confidence in the assessment and selection process, an explanatory note was published on GOV.UK that set out the decision-making process for selecting successful bids to Round 1 of the Levelling Up Fund, in line with the approach set out in the Levelling Up Fund prospectus and technical note.

Furthermore, the Government has provided capacity funding to local authorities in England most in need of levelling up investment and all local authorities in Scotland, Wales and Northern Ireland. Further capacity funding has been allocated to some

local authorities for Round 2 of the Levelling Up Fund and a Local Growth Capacity Support offer is in development to further support local authorities.

DfT has also provided feedback to every LTA that submitted a BSIP. Furthermore, a DfT Relationship Manager has been allocated to LTAs that did not receive an indicative BSIP funding allocation to help them manage their Enhanced Partnership arrangements and improve their BSIP, so that they may be more successful in attracting future funding. These places have also been awarded a bus capacity grant to ensure they have the ongoing internal capacity and capability to dedicate to the continued development and delivery of bus interventions. Since September 2022, DfT has conducted surgery sessions with 38 LTAs, to provide further advice on how their BSIP can be improved and how relationships between all local stakeholders can be properly facilitated through their EP.

Conclusion / Recommendation 26

The Government should require comprehensive, proportionate evaluation of all transport schemes funded with public money above a certain cost threshold to be undertaken and published. (Paragraph 194)

The Government partially agrees with this recommendation.

The Government recognises the important role evaluation plays in enabling us to understand the effectiveness and value for money of our investments. We are committed to embedding evaluation in our programmes to derive proportionate learning that will guide future operational delivery, policy development and investment decision-making.

In June 2022, DfT published its updated Evaluation Strategy¹. This reiterates the Department's commitment to monitoring and evaluation and sets out the objectives and guiding principles underpinning our approach. This includes the need to prioritise evaluation activity to ensure it matches the need and opportunity for good quality evidence, thereby maximising value for money. This means being proportionate when determining what and how to evaluate transport interventions, and accounting for the inherent challenges of doing so.

DfT adheres to three broad criteria when prioritising evaluation activity: 1) scale of investment – ensuring our highest value investments are evaluated; 2) strategic importance – focussing efforts on evaluating interventions that are novel, innovative or relate to government's strategic priorities; and 3) seeking to prioritise evaluations which provide an opportunity to collect robust, policy-relevant evidence that can inform current project implementation and future investment decisions.

In line with our Evaluation Strategy, we do not agree that it should be a requirement for all transport schemes funded with public money to be evaluated. The Department funds a substantial number and wide variety of projects delivered by LTAs. Schemes vary in size and scale and can include small behaviour change interventions as well as

¹ <https://www.gov.uk/government/publications/dft-monitoring-and-evaluation-programme/dft-evaluation-strategy-and-programme-2022>

large-scale, multi-modal infrastructure investments. Given the number and variety of schemes funded it is not feasible for the department to evaluate everything. Nor do we think it is proportionate or appropriate to ask LTAs to do so, especially given funding, capacity, and capability constraints at local level.

Instead, we focus on ensuring that we collect proportionate and consistent monitoring data about all funded schemes. At a minimum we will collect data on outputs, outturn costs, and delivery timings. We may also request additional data on key impacts and outcomes generated by the funding depending on the nature of the schemes. It is usual for us to require local authorities to provide this data as a condition of funding.

To support this, we work with local partners to establish common expectations for monitoring and evaluation, for example by developing frameworks or guidance setting out monitoring and evaluation requirements. As well as being used to underpin the evaluations we fund, these tools can be used by local authorities to support design of their own evaluation programmes. This approach helps to drive up the overall quality and consistency of monitoring and evaluation data.

In some cases, we require local authorities to participate in national or programme-level evaluation projects funded centrally by the department. These studies tend to be theme-based – for example, focussed on a particular type of intervention or outcome – and include a sub-set of interventions and authorities. This approach enables better synthesis of evaluation evidence from across the investment portfolio and allows us to draw generalisable learnings about the priority areas of interest that can inform future investment and operational decisions.