

## **Written evidence submitted by the Business Travel Association (RRB0013)**

### **Introduction**

The Business Travel Association (BTA) is the representative body for the UK business travel industry. Its member travel management companies (TMCs) account for over 90% of all business travel booked in the UK.

In a typical year this equates to 6.4 million journeys and 32 million transactions. In 2022, business travel expenditure contributed £27.5 billion in gross value added (GVA) and 283,500 full-time equivalent (FTE) jobs to the UK economy. From this, £10.4 billion GVA and 79,900 FTE jobs were a result of the initial expenditure of businesses organising travel through TMCs.<sup>1</sup>

The business travel sector is essential to the UK's economy, driving business deals domestically and on the world's stage, and ensuring everyday workers can travel for work across all sectors of the economy including engineers, humanitarian aid workers, scientists, education providers and researchers.

BTA partners also include many of the UK's railway operators.

It is essential that all parts of the UK have access to the transport infrastructure necessary to allow everyday workers across all sectors to travel for business both at home and abroad. Without this investment, parts of the UK find themselves being left behind as people move to areas with better and more efficient transport links.

Improving transport links is crucial to help support the growth of the entire United Kingdom. Business travellers rely on good transport links, whether that is someone travelling from London to Birmingham for a business meeting or flying from Edinburgh to Bristol for a conference. A multi modal integrated transport network is essential to deliver the much sort after levelling up and the economic growth of our nation.

### **Key asks**

- **The BTA is calling for a strategic transport plan for the UK: a joined-up transport system that links business travel journeys and unlocks growth, including in rural areas that rely on connections to major cities.**

- **The BTA believe that the Great British Railways (GBR) should recognise that business travellers have a different way of booking and different needs and as such, wifi connectivity and USB charging ports need to become the norm if rail services are to see a step change in quality.**
- **GBR must be empowered to make rapid change in the rail sector.**

### **The Integrated Rail Body**

- Will the integrated rail body (IRB), as proposed in the draft Bill, achieve the Government's aim of a 'guiding mind', providing: (i) better accountability, (ii) more reliable services, (iii) greater efficiency, and (iv) coordinated growth, across both passenger and freight sectors?
- Would the provisions of the draft Bill establish an IRB with the independence and accountability to achieve its aims? If not, what amendments would be needed?
- What arrangements should be put in place for scrutiny of the IRB's business plan?

Overall, the BTA welcomes the proposals of the Draft Rail Reform Bill and the creation of a single body and 'guiding mind' to oversee the railways. **The BTA has long called for reform of Britain's railways, notably reform to rail ticketing, as well as investment in UK rail in order to deliver a joined-up transport system that can unlock growth, as the revenue generated per journey for business travel is £46 compared to £12 for leisure (Rail Period 2024 /12).** Similarly, rail represents around 60% of all domestic business travel transportation (not including hotel spend). Returning the levels of business travel to post pandemic levels is just the first objective the second objective is the huge potential for modal shift from road and air to the railways and the Travel Management Sector is ideally placed to make this happen.

Currently we find that, due to the nature of how transport planning currently takes place - with every region or local district creating their own plans for transport connectivity, there is no overall consistency and no consideration for the needs of travellers who are on business. **Whilst the way that we live and work has changed since the pandemic, there is still significant demand for people travelling for work, both domestically and internationally.** A recent report by the Business Travel Association, based on analysis from CBI Economics, surveyed 475 businesses across the UK on the value of in-person meetings following the pandemic and found that:

- **Over three quarters (79%) of businesses prefer in-person meetings to virtual meetings**
- **Over 8 in 10 businesses agreed that in person meetings are more effective for teamwork, employee wellbeing and innovation than virtual meetings.**
- **Business travel delivers £27.5 billion in GVA to the UK economy, helping to drive economic growth.<sup>2</sup>**

Due to the current lack of an overarching strategic transport plan which has a business traveller in mind, many workers find that they are often unable to get to a meeting or business conference by public transport, instead having to travel by car. **We would therefore hope to see the IRB deliver a coordinated approach that considers the needs of business travellers which in turn will help to bring economic investment and help level up key areas in the UK.**

An overarching strategic transport plan, which better aligns different modes of transport, is crucial for business travellers. This includes between train stations and airports – for example there is no direct public transport option between Bristol Parkway Station and Bristol Airport, and the Luton DART only opened in March 2023. Cost is also an important factor, Luton DART passengers are required to pay £4.90 each way for a 1.3 mile journey – thought to be the most expensive train journey by distance in Britain.

By having a strategic transport plan we could ensure for example, that a business traveller in the East Midlands could travel easily and sustainably to the nearest airport by train. Often areas outside of our major cities have no direct connection by rail to local airports and are forced therefore to travel by car. For example, travelling from Leeds to Manchester takes approximately 1.5 hours to travel 45 miles. The BTA is therefore happy to see the Government's strategic transport objectives reflected in the draft legislation through the creation of an integrated rail body.

However, **in order to establish an IRB with the independence and accountability to achieve its aims it is pivotal that plans are developed in conjunction with industry. This should be extended to include the needs of business travellers as well as leisure travellers.** As it stands, the legislation is lacking in detail as to how it will achieve its stated aims. Ultimately, the legislation to develop an IRB cannot operate in isolation and must be backed by and developed in conjunction with industry.

As highlighted in our recently published manifesto the BTA is calling for a strategic transport plan for the UK: a joined-up transport system that links business travel journeys and unlocks growth, including in rural areas that rely on connections to major cities. **The BTA would be keen to see Great British Railways (GBR) go further and engage and work with other transport modes: a multi-modal and international engagement approach will be crucial. Business travel does not always involve London and more and more we see meetings, conferences and transient work trips involving travel between regional towns and cities.**

### **Other Provisions**

- Are the interests of passengers and freight users sufficiently promoted by the provisions of the draft Bill?

As previously mentioned, the interests of both business and leisure passengers need to be clearly acknowledged and addressed through further consultation with industry in order to ensure they are sufficiently promoted by the provisions of the draft Bill. **The BTA believes that GBR should recognise that business travellers have a different way of booking and different needs to leisure travellers.**

Business travellers, in a new world of hybrid working are continuously calculating where they can most effectively spend their time. They are more keenly aware of dead time caused by delayed or cancelled trains. Improvements in wi-fi connectivity on inter-city trains, which are a step forward, remain elusive elsewhere on the network, with trains often lacking on-board phone charging points and USB ports.

Rapid strides in airline connectivity, with genuine competition between them about what can be offered to passengers and which they strongly promote, have not yet become a significant feature in rail company marketing – those offers need to become the norm if rail services are to see a step change in quality. **Better connectivity will also be massively enhanced by the guarantee of a clean and suitable table for your laptop or iPad.**

**Whilst rail remains a popular mode of travel for business travellers, levels have not reached what they were pre-pandemic, standing at approximately 85% of September 2019 figures<sup>2</sup>, where as road traffic levels for the year ending September 2023 are just 2.7% below pre-pandemic levels<sup>3</sup>.** This is partly due to the cost of travelling and the complicated nature of the current ticketing process. For example, the cost of a return flight from London to

Edinburgh is £137 for a two-hour journey whereas a return rail fare from London to Edinburgh arriving before 9am in time for the business day costs £151 and involves over eight hours of travel. Clearly, more needs to be done to ensure the rail system works for the everyday worker travelling for business.

We have consistently heard from members that current ticketing options are overly complicated and do not reflect how the way people are travelling has changed. **The BTA calls for the simplification of the rail ticketing options on offer, including the introduction of more flexible season ticket options and, most importantly, consistent definitions of peak and off peak period that are agile enough to respond to industry and public demands.**

### Other

- Are the delegated powers envisaged by the draft Bill necessary and sufficient to meet its aims?
- What lessons should be learned from previous legislative changes to the institutional architecture of the rail sector?

Overall, the delegated powers envisaged by the draft Bill present a good place to start in order to meet its aims but more detail is required. Ultimately the key aim is to improve efficiency for the end user.

As previously mentioned, it is therefore pivotal that we ensure all passengers voices are heard. This includes the voices of those travelling for business as well as leisure. **This draft legislation provides a key opportunity to include the end user from the start of the process where previous legislative changes have fallen short.**

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### Endnotes

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<sup>1</sup> CBI Economics for the BTA (2023) Understanding the benefits of business travel and in person meetings

<sup>2</sup> Office of Rail and Road Passenger Rail Usage Statistical Release 19/12/23

<sup>3</sup> Department for Transport – Provisional road traffic estimates, Great Britain – October 2022 to September 2023