House of Lords Built Environment Committee

Response from Transport for the South East to the call for evidence for the inquiry into public transport travel trends in towns and cities

Summary of written submission

1. Transport for the South East (TfSE) is one of England's seven Sub-national Transport Bodies (STBs). TfSE brings together 16 local transport authorities (LTAs), five local enterprise partnerships (LEPs) and 46 district and borough authorities, alongside a range of stakeholders from the worlds of transport, business and the environment.

2. TfSE's Transport Strategy sets out a thirty-year framework to guide decisions about where, when and how money is invested in the South East's transport network. Its supporting evidence base will inform the development of our Strategic Investment Plan (SIP), which is underway.

3. TfSE recognises that bus services have a key role to play in delivering a more balanced, more sustainable transport system in the South East. Overall, bus use increased in the South East in the ten years to 2019/20.

4. TfSE's has developed a bus evidence base that provides insights into actual and potential future patterns of demand. This includes indications of what could influence bus patronage in the region and areas for potential growth in demand.

5. Differences in performance of bus networks across the region have highlighted a range of factors influencing the likelihood of future patronage growth, particularly in larger urban areas.

6. Our study work has provided good intelligence about the best movement corridors for potential for bus market growth, "switchable" trips and improved connectivity. The role of a stronger 'duty to cooperate' in achieving integration across public transport modes has been identified as has the need for greater certainty about future funding streams (through, say, 5-year funding settlements) to deliver a pipeline of suitably targeted capital investment and (as required) revenue support.

7. LTAs now have sufficient powers that should enable bus network quality to be increased significantly, if supported by sufficient, dedicated public transport funding – ideally as multi-year programmes. STBs such as TfSE have a role to play in shaping and developing those programmes.

8. Public transport touches on the work of several government departments and agencies. There is both a need and a genuine opportunity to foster trust and collaboration between departments – and between levels of government – to develop joined-up, positive outcomes that deliver *overall* government policy.

9. More urgently, there is an emerging revenue support cliff-edge. The government is ending COVID-19 financial support for buses and other revenue sources still have a way to go to fill the gap. LTAs are by no means resourced to fill that revenue gap – especially not to subsidise even more services that used to be run commercially. There is a real risk of extensive service withdrawals from local bus networks over the next few months.

1. Introduction

Transport for the South East

1.1 Transport for the South East (TfSE) is pleased to respond to the Built Environment Committee's Call for Evidence for its inquiry into public transport travel trends in towns and cities.

1.2 TfSE is one of England's seven Sub-national Transport Bodies (STBs). As established in the enabling legislation, the role of STBs is to identify and prioritise larger scale transport schemes in their areas to facilitate sustainable economic growth. They bring a strength of partnership among their membership to speak to Government with one voice.

1.3 TfSE brings together 16 local transport authorities (LTAs), five local enterprise partnerships (LEPs) and 46 district and borough authorities, alongside a range of stakeholders from the worlds of transport, business and the environment.

Figure 1: Transport for the South East Area
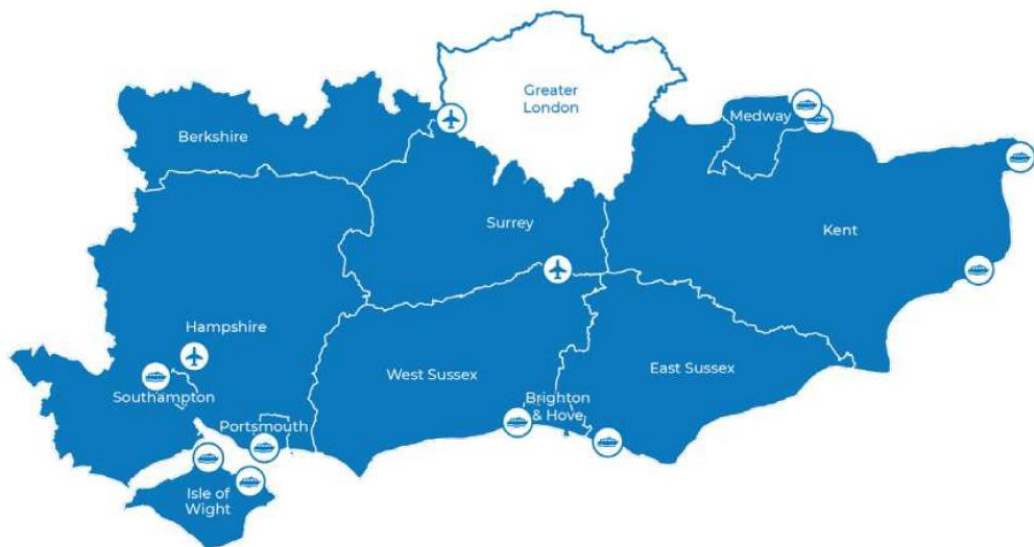
1.4 This response is an officer response which will be presented for subsequent endorsement by the members of TfSE's Partnership Board on 21 March 2022.

TfSE Transport Strategy

1.5 TfSE's Transport Strategy[1] sets out a thirty-year framework to guide decisions about where, when and how money is invested in the South East's transport network. The strategy is clear that 'business as usual' is not a sustainable way forward. For this reason, TfSE has adopted a different approach to traditional transport strategies – setting out a vision for the future we want and how transport investment can help us achieve it, rather than endlessly chasing forecast growth in demand for transport (particularly on our roads). This said, further investment in our transport infrastructure, including the South East's railways, highways, public transport services, and active travel infrastructure is integral to the delivery of our

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[1] https://transportforthesoutheast.org.uk/our-work/transport-strategy/

strategy. This investment will secure even better outcomes if it is complemented by targeted regulation and pricing mechanisms that promote more sustainable travel outcomes.

1.6   The transport strategy, which is supported by an extensive evidence base,[2] will inform the development of our Strategic Investment Plan (SIP). This SIP, which we will consult on in mid-2022, will state our priorities for the future direction of, and investment in, the transport networks that serve South East England.

1.7   Within the South East, public transport in towns and cities is primarily provided by bus services. The network consists of (normally) commercial services and services contracted in by LTAs that wouldn't be run commercially. At present, operators can introduce, vary or withdraw commercial services as they wish to – and are keen to retain that ability. There are three bus rapid transit systems in the South East: Fastrack in the Thames Gateway (Dartford), Eclipse in south Hampshire and Fastway in Crawley – with more being planned. At present, there are no light rail systems in the South East. While the South East has an extensive rail network and there are some intra-urban services for which rail is an attractive alternative, rail primarily serves inter-urban movements and movements to and from London. As a consequence, the focus of this submission is on the current and future role of bus services.

1.8   While the focus of this inquiry is on public transport in towns and cities, the South East's bus network provides connectivity both within more rural areas and between these areas and town and cities. Routes that serve rural areas more often than not have one or both ends of the route in a town or city and they are also integral parts of the urban network itself. When thinking about bus, we believe it is important to consider the network as a whole and not just its urban elements.

1.9   As noted in our Strategy, good local bus services are seen as an essential part of vibrant, sustainable communities, enabling people to access health, education, leisure services, shops and jobs. They are crucial to many people's general wellbeing, enabling them to maintain their social networks. Our Strategy recognises that bus services have a key role to play in delivering a more balanced, more sustainable transport system in the South East.
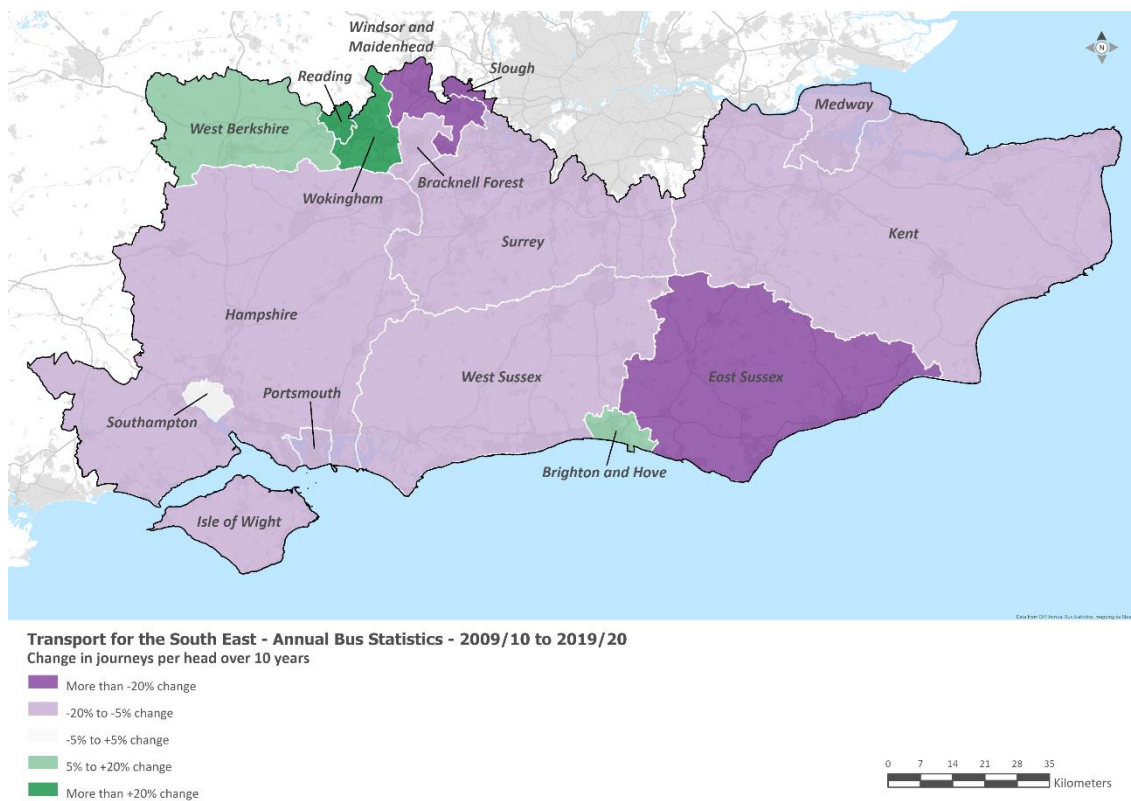
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[2] https://transportforthesoutheast.org.uk/publications/

2   <u>**Question 1.**</u>   **What are the current and anticipated levels of public transport demand and capacity in towns and cities in England? What influences public transport travel patterns? How does the choice of public transport vary across different demographic groups?**

Current levels of PT demand

2.1   In contrast to many other regions in the UK, many LTAs in the TfSE area have seen an increase in bus use in recent years. Looking at the decade to March 2019, which is the last financial year that bus patronage was unaffected by the COVID-19 pandemic, bus patronage in the South East grew. The number of passengers using buses in Reading and other Berkshire authorities grew by more than 30%. There was strong growth in Brighton and Hove (20%) and Southampton too (10%). The successes in both Brighton and Reading are recognised in the Department for Transport's *Bus Back Better: National Bus Strategy for England.*[3]

2.2   The five TfSE local authorities with the lowest number of annual bus journeys per head the TfSE area are Hampshire, West Berkshire, Wokingham, Bracknell Forest and Windsor and Maidenhead– despite some of these showing a pattern of demand growth.

Figure 1: Change in Bus Journeys per Head 2009/10 to 2019/20

Transport for the South East - Annual Bus Statistics - 2009/10 to 2019/20
Change in journeys per head over 10 years

- More than -20% change
- -20% to -5% change
- -5% to +5% change
- 5% to +20% change
- More than +20% change

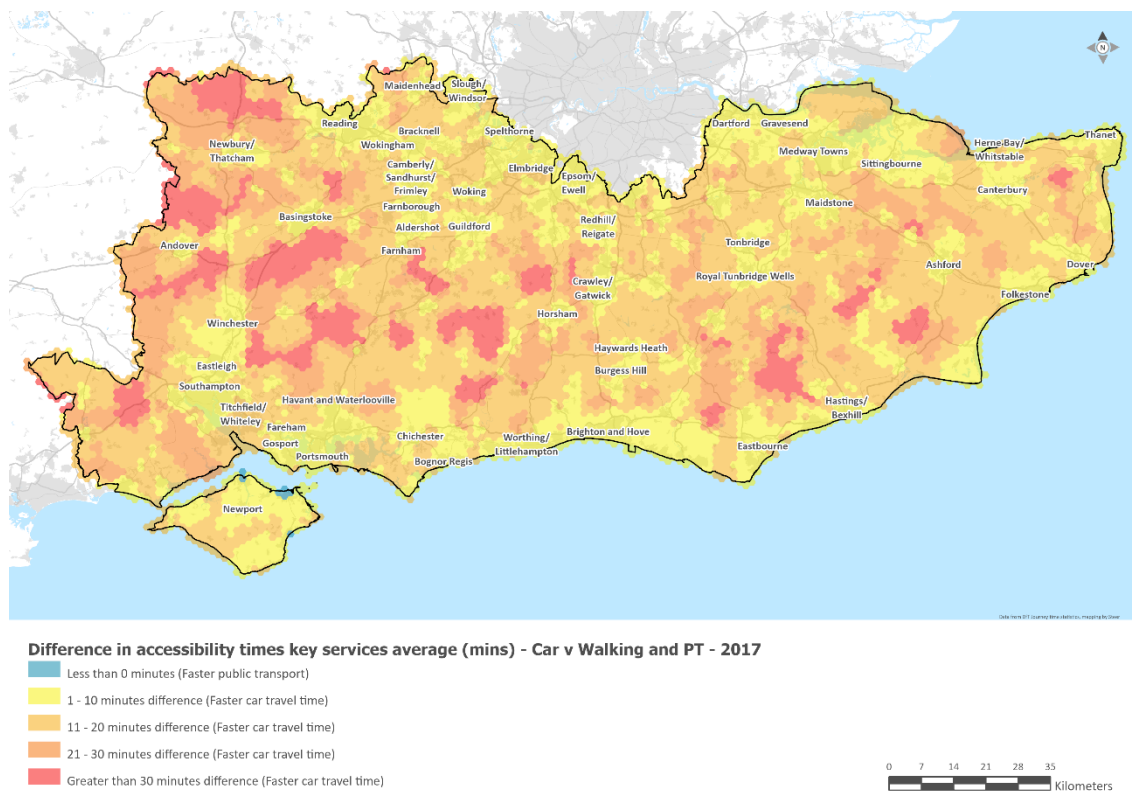0 7 14 21 28 35 Kilometers

Influences on Bus Patronage

2.3   Pre-COVID-19, what Brighton, Reading and Southampton had in common is a buoyant economy, dynamic local bus company management and an effective partnership between the local authorities and bus operators. Other factors include, but are not limited to, simple fares (e.g. flat fares) with tap-on, tap-off contactless payment, high quality and well-maintained

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[3] See pages 23 and 49, DfT (2021) *Bus Back Better: National Bus Strategy for England*

fleets meeting Euro 6 carbon standards, a focus on customer service including amenities like free Wi-Fi and USB charging as standard, limited town/city centre parking, limited urban rail network (and no light rail provision) and congested local roads but extensive bus priority measures.

2.4 Those areas that have experienced a decline is bus use are characterised by low population density, meaning it is not conducive to high frequency bus services, which in turn decreases the attractiveness of the mode. While the majority of buses (Hampshire excluded) offer contactless payment, they do not provide tap in tap out services or fare capping for contactless payments. As such, payment for bus users is less straightforward than in authorities such as Southampton or Reading.

2.5 What the experience of Brighton, Reading and Southampton shows is that declining bus patronage is not inevitable. However, while there are lessons to be learned from these places this does not mean that the model in these towns and cities can be replicated everywhere. There will be a need to develop bespoke and targeted interventions.

2.6 To this end, TfSE has been working with its constituent LTAs to develop a South East wide bus evidence base to support their Bus Service Improvement Plans.

2.7 Taken from this evidence base, **Figure 2** presents the difference in accessibility times to key services between the car and walking/public transport.

Figure 2: Difference in Accessibility Times to Key Services – Car vs. Walking and Public Transport

Difference in accessibility times key services average (mins) - Car v Walking and PT - 2017
- Less than 0 minutes (Faster public transport)
- 1 - 10 minutes difference (Faster car travel time)
- 11 - 20 minutes difference (Faster car travel time)
- 21 - 30 minutes difference (Faster car travel time)
- Greater than 30 minutes difference (Faster car travel time)

2.8 Notably, large urban areas such as Brighton, Reading and Southampton have a minimal difference in accessibility times between car and walking/public transport. Across the majority of these areas, this difference is generally less than 10 minutes, making the bus an attractive alternative form of transport to car.

2.9   In the fringes of the urban centres and interurban areas, this time difference between bus and car is greater - up to between 11-20 minutes, making the car a more attractive option for many, and limiting how competitive the bus can be for patronage. In rural areas, the difference between car and bus is large, making it an unviable method of transport for many.

2.10   **Table 1** shows that the South East's bus network has a catchment which covers 95.5% of the TfSE population and 88.8% of all employment within TfSE. Just under half (39.3% population and 40.7% employment) of all population and employment is covered by routes providing a level of service of equal to or greater than 4 buses per hour.

Table 1: Bus Network Coverage

	Population	Employment
TfSE total	**7,902,697**	**3,433,399**
Close proximity to a bus route	7,546,078	3,047,254
Close proximity to a bus route (%)	95%	89%
Current – close proximity to 4 or more services per hour bus route	3,104,079	1,397,602
Current – close proximity to 4 or more services per hour bus route (%)	39%	41%

2.14   What these aggregate figures hide, however, is the difference in level of service between different places. **Figure 3** presents analysis of bus services per hour (weekday AM peak 07:00 to 08:59). What this shows is that as expected urban areas have the greatest bus services per hour, with many locations being served by at least 10 buses per hour.

Figure 3: Bus Services per Hour – Monday Morning Peak
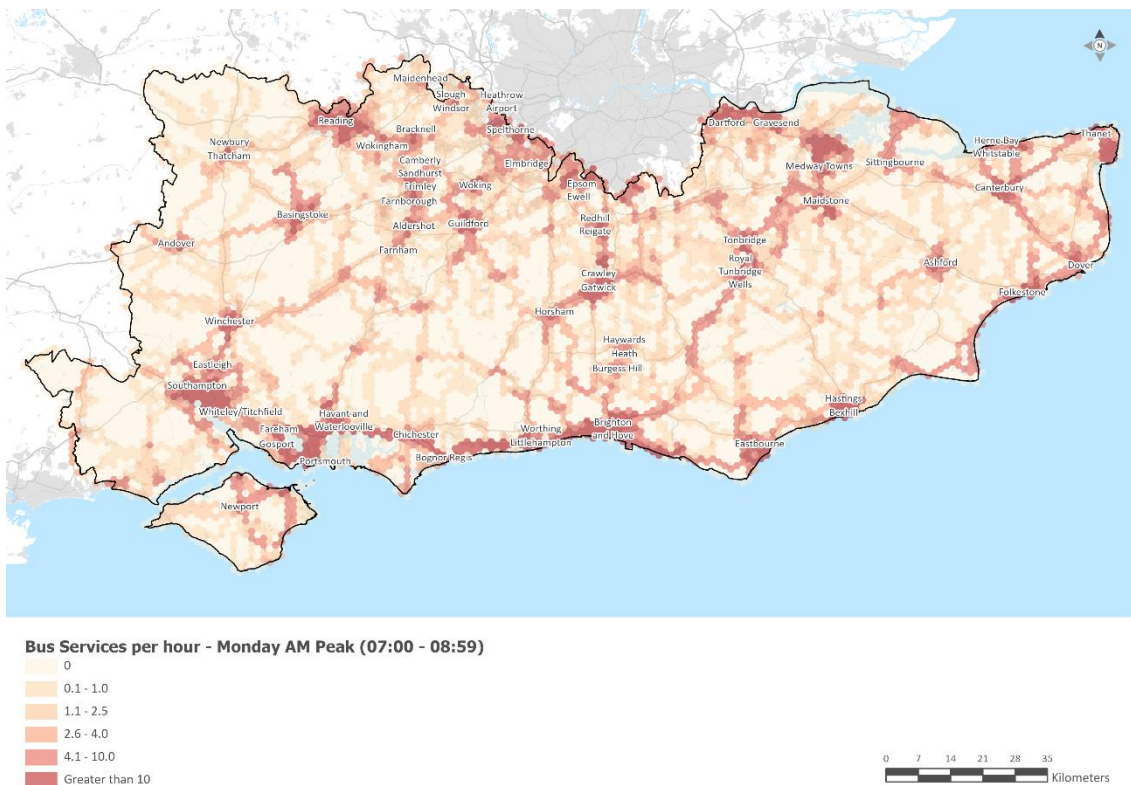
2.15   When considering interurban corridors, it is notable that overall, they maintain a high level of service frequency, particularly in the north-east of the region. Similar service levels are also visible in the centre of the region, connecting Epsom, Reigate, and Crawley to Gatwick, likely

to be driven in part by Gatwick Airport. Away from the urban areas and interurban corridors, bus service frequency reduces significantly, below 2.5 buses per hour in most areas.

Who Uses Local Public Transport

2.16   The National Travel Survey and other data sources have been used by the Urban Transport Group[4] to explore who uses buses in England outside London.[5] TfSE has no reason to believe that bus users in the South East differ materially from this national position. What this analysis shows is that:

- A fifth of all bus trips are for commuting and a quarter are trips to and from school or tertiary education. A further quarter of trips are for shopping
- The greatest users of bus are the youngest and oldest in society. A third of all bus trips are made by the under twenties and a fifth by the over seventies.
- In England outside London, 28% of all bus journeys were made by people were elderly or disabled concessionary journeys.
- Women use bus much more often than men, irrespective of age. Outside London, 58% of bus trips are made by women and 42% by men.
- Those in the lowest income quintile make the highest number of bus trips per person, while those in the highest income quintile make the lowest number: bus use declines as income increases.
- Around 50% of bus passengers have no alternative to bus for the journey that they were making.

2.17   What the experience of Reading, Brighton and Southampton tells us that growing bus patronage requires bus to be a mode of choice, which means making it more attractive to those who are not captive to bus, which includes the better off in society as well as those older than thirty but pre -retirement.

3   Question 2. How might public transport travel patterns shift in the next 10 years? What impact could digitalisation and the COVID-19 pandemic have on travel patterns in the long term?

COVID-19 Impacts

3.1   The COVID-19 pandemic has had a profound impact on bus patronage. At the time of writing (early March 2022) bus patronage outside London is at around 80% of its pre-COVID levels. While the scale of recovery varies from place to place, there is no reason to believe that the South East is materially different from this national trend.

3.2   At present, weekend bus usage is showing higher recovery than weekdays. This is put down to hybrid working suppressing weekday demand along with the recovery of the domestic leisure sector, although it is expected that there will be further weekday recovery as the number of people working in offices grows back. Concession users (e.g. ENCTS pass holders) have not

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[4] https://www.urbantransportgroup.org/
[5] See Chapter 2, Steer (2022) *Continuing COVID Funding Support for Urban Public Transport* available at: **https://www.urbantransportgroup.org/resources/types/reports/continuing-covid-funding-support-urban-public-transport**

returned to the same degree as other users. Concessionary fares can make up 50% of patronage on certain routes, so the slow return of OAPs to buses will be having a substantial impact on overall bus patronage figures, as well as operators' financial position.

3.3   When looking ahead over the next decade, there is a path dependency and assuming no reimposition of COVID-19 restrictions, the changes in bus services that may come about over the next six to twelve months will have a material impact on public transport patronage over the next decade. Any reductions in bus services will lead to a further decline in bus patronage.

3.4   The Government's announcement of a further six month financial support package that will run to October 2022 is welcome. It creates time for further demand recovery while protecting service provision to a degree. However, it seems likely that over the next six months some services will be reduced in frequency or even curtailed altogether as operators adjust their operations to match post-pandemic demand. In turn, this would have a negative impact on future patronage as bus becomes a less attractive options for those who have an alternative or potentially ceases to be an option for some who have no alternative means of travel.

3.5   The Government's stated objective in *Bus Back Better* is to get overall patronage back to its pre-COVID-19 level and then to exceed it. Once bus services and patronage has been lost, it is challenging to recover the position. The successes that have been seen in Brighton, Reading and Southampton have taken many years to achieve, but there is the potential for these gains to be rapidly reversed. This suggests a short-term focus should be maintaining existing patronage, potentially through further revenue support. Meeting the Government's *Bus Back Better* goal may require further intervention post October.

The Next Ten Years

3.6   The national trend over many decades has been that bus patronage has been declining. Looking beyond the immediate impacts of the pandemic, as previously noted the experience of Brighton, Reading and Southampton is that further decline in bus patronage is not inevitable. Buses' role in catering for local travel can increase. As well as bringing economic and social benefits, given the fuel efficiency of well-loaded diesel buses plus the move to zero emission vehicles, such an outturn would contribute to the decarbonisation of the transport sector.

3.7   Arguably growing consumer interest in living more sustainably, along with increases in motoring costs (in the short-term fuel prices and then in the future the possible introduction of road pricing, both as a mechanism to encourage behavioural change and a revenue source to replace fuel duty) create an opportunity to promote urban public transport as an alternative to car travel. *Bus Back Better* and the Government's *Levelling Up* White Paper offer a conducive policy environment, but for these policies to be converted to action will require certainty of both capital and revenue funding support over a number of years.

Digitisation

3.8   Digitisation creates both opportunities and threats to local public transport.

3.9   Opportunities include:

- more accessible service information (for instance journey planning, real time info);
- easier to use fares and ticketing (for instance, app-based);
- the ability to reduce the cost of travel through (for example) daily fare capping or time-bound carnet ticketing;

- the integration of bus into Mobility as a Service applications
- the potential easier to provide more on-demand services
- for operators, real time operations and fleet management

3.10　Threats include:

- An increase in hybrid working reducing the aggregate transport demand to town and city centres, areas that historically are the source of much public transport patronage and revenue
- The shift to on-line shopping, leading to further decline in high street retail, noting that currently a quarter of all bus trips are shopping related.

3.11　The shift to hybrid working and to on-line retail both existed before the pandemic. Arguably, what the pandemic has done is bring forward what might have happened anyway over a number of years, but it has done so in a way that has created a shock to the system. In the case of bus, this shock is a rapid shift in the quantum and nature of patronage leading to a mismatch between revenues and costs. As already noted, recognising the economic, social and environmental benefits that bus can bring, the national policy agenda is conducive to supporting initiatives to grow bus use and as parts of integrated packages, as these can help towns and cities adapt to new patterns of working and new ways of shopping.

4　Question 3. What can be done to improve connectivity across public transport modes? How could better integration be delivered in urban areas outside London?

Improving Connectivity

4.1　As previously noted, the Government's Bus Back Better and Levelling Up agendas establish a policy environment conducive to supporting improved bus connectivity. Adequately funded, Bus Service Improvement Plans along with Enhanced Partnerships offer a delivery route for LTAs to work with their operators and affect the changes needed to support patronage growth and better connectivity.

4.2　In the short to medium term, the greatest impacts are likely to be felt by targeting effort on those corridors that have the greatest potential for higher bus use. Using travel to work data and combining this with journey time and distances, as part of the development of our BSIP Evidence Base, TfSE has undertaken analysis to identify which corridors in the South East have the greatest growth potential.

4.3　**Table 2** shows the flows with the highest potential "switchable" trips in the TfSE area based on existing travel to work flows and proportions of trips made by bus.

Table 2: Flows with Greatest Potential for Bus Patronage Growth

Inter-urban pair	
Eastleigh - Southampton	Totton - Southampton
Worthing/Littlehampton Brighton and Hove	Portsmouth - Havant and Waterlooville
Medway Towns - Maidstone	Herne Bay/Whitstable - Canterbury
Bognor Regis - Chichester	

4.12   A very high proportion of the potential is located along the south coast between Southampton and Brighton. Outside of the south coast, flows from Medway Towns to Maidstone and Herne Bay/Whitstable to Canterbury highlight a high potential for switchable trips.

4.13   What this analysis helpfully does is identify that there is potential to improve bus connectivity and grow patronage across the South East. Moreover, this potential is not limited to those towns and cities that have experienced bus patronage growth in the decade preceding the COVID-19 pandemic.

Delivering Better Integration

4.14   Central to delivering better integration is having sufficient, targeted government resourcing for local authorities to deliver their BSIPs and use their EPs to reinforce and then build their bus networks, including introduction of new routes and new service types/other products.

4.15   Currently National Highways and Network Rail (and in the future, Great British Railways) benefit from five-year funding settlements. With the City Region Sustainable Transport Settlement (CRSTS), this approach is being extended to the eight mayoral combined authorities. (There is no mayoral combined authority in the TfSE geography.) These multi-year settlements allow multi-year programmes to be developed and implemented and avoid the recurrent resourcing issues that result from stop-start patterns of infrastructure investment.

4.16   Previously, alongside other STBs, TfSE has called on Government to give each region an indicative multi-year funding allocation. Clarity on the level of funding available would ensure that investment pipelines are affordable. Prioritisation of pipeline schemes is extremely challenging without a clear view on funding levels available, and clear criteria against which to prioritise. Greater funding clarity would also ensure scheme promoters have confidence that the funding needed to deliver their proposal will be there when they need it, allowing them to allocate the resources needed to develop the proposal and secure any permissions/consents required.

4.17   The logical next step is to develop comparable multi-year settlements for other areas beyond the mayoral combined authorities. TfSE, along with the other STBs, is well placed to lead the regional-scale prioritisation that will be needed to support such a settlement and then administer the settlement over its life. This would include undertaking assurance for schemes that are not retained by the Department for Transport, as well as leading on monitoring and evaluation of the implemented programme.

4.18   In addition, TfSE would like to see Great British Railways being given a duty to cooperate with LTAs and STBs as part of its enabling legislation, with the goal of coordinating services and investments with the objective of maximising the effectiveness of the entire public transport network, as opposed to taking a unimodal approach.

5   Question 4. What are the likely areas of innovation in urban public transport over the next 10 years? How should public policy be shaped considering both incremental and transformational innovations? How could data help transport services meet consumer demand?

5.1   TfSE has chosen not to respond to this question.

6. **Question 5. Are local authorities well equipped with appropriate funding and powers to deliver high-quality public transport services? Would further devolution of transport policy contribute to better outcomes?**

Local Authority Powers

6.1   TfSE considers that their established highway and transportation powers, including the provisions of the Bus Services Act (2017), give its constituent LTAs the powers that they need to progress the interventions that they have set out in their BSIPs. If implemented in full, these would provide a substantive uplift in public transport connectivity and patronage.

Local Authority Funding

6.2   As set out in response to Question 3, greater funding certainty would allow LTAs to develop and then implement the multi-year programmes that will be needed to secure material changes in local public transport connectivity and patronage. Multi-year funding settlements that covered both capital costs for scheme implementation and their associated design and development costs, along with the ability to provide revenue funding, for instance to pump-prime new services, would meet this requirement.

6.3   In this context, investing to reduce bus journey times and improve service reliability can offer good value for money. Moreover, compared with other modes, worthwhile improvements to bus networks can be made at relatively modest costs when compared with other transport solutions. Such interventions can also be developed and implemented more quickly than investments in road or rail.

Greater Devolution

6.4   Also, as set out in response to Question 3, greater devolution of funding and the assurance of investment decisions has the potential to further speed implementation. STBs such as TfSE have a role to play, bring decision making closer to the places that are affected by those decisions.

7   **Question 6. Could better policy coordination across government departments, and between central and local government, improve public transport outcomes? If so, how can this be achieved?**

7.1   The impacts of local public transport stretch across a whole range of national policy areas. This has been explored by the National Audit Office, which identified how bus use supports economic, social, industrial, housing and environmental policy areas across Government.[6] As transport policy has impacts across departmental responsibilities, there is opportunity for greater coordination between departments. One example is the need for greater integration of transport planning and spatial/land use planning and in the context of this inquiry, the explicit consideration of how new housing and commercial developments are served by and integrated with local public transport networks.

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[6] National Audit Office (2020) *Improving Local Bus Services in England Outside London*

7.2 While *Bus Back Better* and the *Levelling Up* White Paper create a policy framework conducive to supporting growth in local public transport, this needs to be supported by the necessary funding. *Bus Back Better* states that £3bn is being made available in the current parliament for LTAs outside London for specific improvements targeted at delivering better bus services. Following submission of the BSIPs, analysis by the Confederation of Passenger Transport, published in November 2021, indicates that the total value of all BSIP submissions was more than £7bn. In a letter from DfT to LTA Transport Directors dated 11th January 2022, it is stated that the BSIP "budget available for transformation, including for Zero Emission Buses, is around £1.4bn, for the next three years". On the basis of this letter it therefore appears that additional money available from the Government to deliver the National Bus Strategy is less than half the figure quoted in Bus Back Better, which itself is less than half the LTA ask.

7.3 There is a real risk the Government's stated policy objectives will not be met unless there is sufficient funding. As we have set out previously, multi-year settlements would offer certainty for LTAs to progress the programmes needed to support local public transport.

7.4 At present there appears a disconnect between the ambitions set out in *Bus Back Better* and the *Levelling Up* White Paper and what is happening to bus services as the nation exits from the pandemic. An immediate priority must be to stabilise the bus sector. The announcement of a further £150m funding package for buses outside London is welcome in this regard, but risks delaying an inevitable decline if this is the final tranche of COVID-19 related support. Given the Government's policy ambitions and the effectiveness of revenue support in maintaining service provision, it appears premature to determine when funding support would end. TfSE would prefer such decisions to be taken later once the trajectory of post pandemic recovery becomes clearer. Given the Government's policy platform it is inopportune to rule out further support. Passenger demand has still to return to previous levels. Bus operators will only want to run services that operate at a profit – and will 'deregister' services that do not. Local authorities do not have the resources to fund a widening revenue gap on their own services, let alone take financial responsibility for those that operators deregister. Kent County Council, for example, is consulting on possible withdrawal of a number of their supported services from August this year.

7.5 We would wish to see more coordination of policy within the Department for Transport itself. Its approach to bus (*Bus Back Better*) and active travel (*Gear Change*), for example, needs to be better coordinated. Promoting local public transport and active travel are both integral to TfSE's Transport Strategy. Having separate, unlinked DfT programmes for bus and active travel is challenging for LTAs who have to reconcile conflicting demands for buses and/or active travel within finite road space. Speedier and more effective delivery would come from more integrated single pot funding and a policy platform that supports and facilitates LTAs making choices around trade-offs and compromises.

8 Question 7. What are the barriers to improving urban public transport, in terms of delivering the necessary infrastructure, increasing connectivity and improving the consumer experience?

8.1 TfSE considers that our responses to preceding questions also address this question.

9 <u>**Question 8.**</u> **Are there other important changes, not covered elsewhere in these questions, which would improve matters?**

9.1   TfSE has chosen not to respond to this question.   [Ends]