

Policy Futures

*for urban
transport*



**URBAN
TRANSPORT
GROUP**

Contents

The Urban Transport Group represents the seven strategic transport bodies which between them serve more than twenty million people in Greater Manchester (Transport for Greater Manchester), Liverpool City Region (Merseytravel), London (Transport for London), Sheffield City Region (South Yorkshire Passenger Transport Executive), Tyne and Wear (Nexus), West Midlands (Transport for West Midlands) and West Yorkshire (West Yorkshire Combined Authority). The Urban Transport Group is also a wider professional network with associate members in Strathclyde, the West of England, Tees Valley and Nottingham.

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Moving city regions forward

Cities are the key drivers of the UK economy – yet not enough has been invested in the urban transport networks that support those economies. We need a new enhanced and stable funding deal for urban transport which recognises the exceptional economic benefits of investing in urban transport as well as the major challenges that lie ahead. These include air quality, climate change and harnessing the benefits of technological transformations.

We are living at a time of change. New technologies are enabling the automation of more tasks and jobs whilst also leading to an ever greater proliferation of data. Society is ageing whilst at the same time moving from ownership models to rental models or shared access to services. Our climate is changing too, bringing with it more extreme weather patterns. Yet amidst all this change, many fundamentals remain the same. People still want to live in places where they can be healthy, happy and prosperous – and where they can have their say on the future of those places.

As Britain's city regions seek to respond to these challenges in a way that will address people's fundamental aspirations, transport policy has a critical role to play.

Supporting inclusive growth

Efficient and effective transport networks support city centres with their clusters of high value jobs, retail and cultural attractions.

They also support suburbs, secondary centres and towns by providing them with the access they need. Connectivity with other cities and with the wider world attracts investment and skills, and enables access to domestic and international markets. Transport also ensures that the benefits of growth can be shared because it can provide access to employment for all – including people with different physical and mental conditions and challenges. It should also be remembered that the transport sector is a major employer itself. The way in which it acts as an employer through the wages it pays, and the training and development it provides, can help promote inclusive growth – as can the way in which the sector procures and invests in new facilities and services.

Tackling climate change and improving air quality

As the climate changes, the imperative to reduce carbon – whilst improving resilience to more extreme weather – becomes ever more pressing.

The transport sector is a major source of the UK's carbon emissions yet progress has slowed recently in reducing its contribution. Urban transport policy can play a key role in getting back on track on carbon reduction through promoting the rapid take up of greener and cleaner technologies for powering vehicles (up to and including full electric propulsion). More widely, a shift to public transport and active travel, or reducing the need to travel in the first place, is needed. Greater attention is also now being given to poor air quality in many urban centres and demanding targets for cleaning up vehicle fleets have now been set.

But for this to be effective, we need a long term partnership between city regions and national government: a partnership which recognises the key role that national government has (in particular on vehicle taxation) in setting the right national framework in which properly funded, locally determined air quality strategies can best tackle local air quality challenges.

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Creating healthier places

Urban areas around the world are reducing space for traffic and increasing space for people in order to create places where people want to visit, live, invest and work in. The creation of higher quality urban realms which are not blighted by traffic, which feel safe and which people want to spend time in, are now the priority for the 'place makers'.

This is a trend that can be seen from Los Angeles to London, Moscow to Singapore, as cities compete to attract visitors, residents and business. Street design has a key role to play in promoting public health as a 'healthy streets' approach is one which encourages people to walk and cycle.

This is particularly important given that inactive lifestyles are one of the biggest threats to public health, increasing the risk of developing a range of chronic diseases including diabetes, dementia, depression, heart disease and cancer. If more short journeys can be made on foot or by bike, instead of by car, this can reduce congestion for all road users. A mix of capital and revenue support is needed in order to invest in re-designing streets that better meet the needs of cyclists and pedestrians but also to support 'soft' measures around building public awareness of, and confidence in, active travel alternatives.

Delivering the future

Freight is vital to the effective functioning of our economy and to our cities in particular, which are frequently the ultimate destination for goods.

The ways in which these goods reach the outskirts of our urban areas, how they are dealt with when they arrive, and how they are transported for the 'last mile' of their journey into the places people live and work, has wide ranging implications for the economy, employment and growth. But it also has implications for congestion, safety, emissions, road maintenance, noise, vibration, quality of life and the urban realm. At present there is a lack of an overarching strategy for freight which seeks to address these trade-offs. Such a strategy could seek to ensure that, wherever possible, freight should make its way to urban areas by rail (or water where that is a viable option) and that a more extensive network of rail connected distribution hubs be established.

The last mile, or miles, into city centres could then be by low impact mode, such as low emission vans or lorries, or, where appropriate, other options like cycle logistics.

More widely there is also a need to ensure that there are good industry standards for safety and emissions and that there is robust enforcement, where necessary, of those standards.





Making it happen

The kind of urban transport programmes and policies that will support these aims will be based on modern and efficient public transport networks, the promotion of active travel and the creation of healthier streets. They will also respond to what technology, and associated new business models can offer, in a way which benefits both travellers and wider city region public policy goals.

Devolve the powers and make the connections

As well as requiring adequate funding (which we explore on page 10), this approach will require more working across disciplines and sectors through further devolution of powers to the city regions. If transport is there to help cities become the greener, more prosperous and fairer places they want to be, then we need to break down the barriers between people working in different policy areas. For example, if inactive lifestyles are one of the biggest causes of ill health, then the transport and health sectors need to be working more closely together. And given that transport infrastructure doesn't just link places, it also helps define the character of the places it passes through, then transport planners need to be working with 'place makers'.

Greater devolution of powers over transport and other policy areas offers the opportunity to join the dots between them, as local decision makers are far better placed to understand and realise the synergies locally between transport and other policy goals.

If transport is there to help cities become the greener, more prosperous and fairer places they want to be, then we need to break down the barriers between people working in different policy areas.

For example, by meeting housing need without causing additional traffic congestion through opening new stations which serve new housing developments on adjacent brownfield sites.

Significant progress has already been made on devolution – most extensively in London but now also in other city regions as Combined Authorities (and in some areas Mayoral Combined Authorities) have been established to provide more focussed governance on key city region strategic issues like transport and economic development. But there is potential for far more devolution – for example on rail (which we explore on page 14 of this report).

And there is also scope for greater coordination between the two key national agencies on transport (Highways England and Network Rail) and the city regions, on both operational and strategic issues.

For example, in ensuring information systems are integrated to provide seamless travel information to road and rail users, and on planning, to ensure that the way in which national road and rail networks develop dovetails with the economic development plans and priorities of the city regions. The national planning framework also needs to be supportive of urban transport authorities' objective of promoting more 'transit-oriented developments' where attractive new communities with mixed housing, commercial, community and retail elements are located close to adequate public transport and which adhere to healthy streets principles.

The case for a new deal on urban transport funding

Decades of under-investment in urban transport not only means that transport networks too often let travellers down today, but also means that urban transport systems are not prepared for the near and long term challenges of the future – such as climate change, the ramifications of waves of technological change, the needs of an ageing society or the imperative of tackling the public health implications of inactive lifestyles.

Cities are also the major drivers of the wider UK economy and the places where investing in transport can bring about the biggest return on investment.

However, not only is urban transport under-funded, the way in which urban transport (particularly outside London) is funded is highly complex, short-termist and subject to numerous ad hoc competitions. This contrasts with spending programmes for national rail and road networks which are based on long term funding plans and settlements.

Long term funding certainty allows a considered approach to ranking and delivering priorities; it means that business and investors in city regions can plan ahead with more confidence; it allows expertise and capability in the planning and delivery of schemes to be built up and retained; and it reduces the inefficiencies inherent in oscillating between 'feast or famine' for contractors and suppliers.

Alongside the unpredictable and inadequate levels of capital funding for urban transport, revenue spending on urban transport has seen deep cuts – with the prospect of more to come. Revenue spending is needed in particular for bus services, the main form of public transport. It also pays for the planners and staff that develop and implement capital projects. The proliferation of competition funding and the decline in block revenue funding creates additional pressures. Bidding for capital funding can amount to nearly 2% of the costs of a £5 million scheme and creates peaks and troughs in workloads which are difficult to resource and plan for efficiently.

In addition to national funding streams, there are a wide range of options to raise additional funding locally (from work place parking levies to planning gain agreements) which are already being deployed depending on local circumstances. However, some mechanisms, like land value capture, would benefit from a clearer framework from Government.

Alongside the need for enhanced and stable capital and revenue funding for urban transport, there is also a need to review the national system for appraising transport investment proposals. This is needed to make the system more responsive to local circumstances, more capable of capturing the transformative benefits of very large schemes, as well as the benefits of transport schemes which improve the quality of place.

Finally, the way in which national government satisfies itself that local government transport spending is being carried out efficiently and effectively, is inconsistent and can be overly prescriptive including being subject to 'clawback' (i.e. asking for further reviews, options or approval centrally – even after approval for funding the project has already been given).

Revenue spending is needed in particular for bus services, the main form of public transport.

The way forward

- A new enhanced and stable capital and revenue funding deal for urban transport which recognises the exceptional economic benefits of investing in urban transport as well as the major challenges that lie ahead – including on air quality, climate change and harnessing the benefits of technological transformations.
- A national planning framework that promotes transit oriented development rather than low density sprawl.
- A more ambitious national policy framework on air quality so that city regions can play their full part in tackling local air quality problems.
- A national strategic freight policy so that city regions can help to ensure more long haul freight accesses the city regions by rail and water where possible, whilst ensuring that last mile local deliveries are made by city-friendly, low impact vehicles or modes.
- An ambitious national active travel strategy that seeks to accelerate growth in the number of trips made on foot or by bike whilst recognising the need for adequate funding for its devolved delivery.

Backing the bus

Most urban public transport trips are made by bus. However, the bus faces major challenges – particularly outside London where bus services are deregulated and there is a pattern of long term decline in service levels and patronage.

The urban bus offers excellent value for public money. Every pound spent gets traffic off the roads and reduces congestion for other road users. However, it is a transport measure that also meets multiple social policy goals. It gives the jobless access to jobs, gives young people access to education and training, and gets older and disabled people out of isolation.

It also contributes to public health through the associated exercise, as well as getting people to healthcare appointments. Investment in buses can also be quickly translated into lower fares, more services or better vehicles plus the benefits can be spread across a wide urban area.

The very local nature of bus services means that the extent and quality of the service varies by area. However the overall picture in recent years outside London is one of declining service levels, fares rising above the rate of inflation and patronage decline. Bus services are deregulated outside London which means that, subject to basic licencing conditions, anyone can run a bus service. However, in practice, bus services are now provided by five large corporations who rarely compete directly.

Local transport authorities can only negotiate voluntary agreements with bus operators on the way services are provided and can only ensure services are provided where no commercial services operate (these are known as tendered or supported services and make up around 20% of bus services nationally).

The ability for London to specify, manage and develop its bus network has underpinned the very different outcomes on bus services between London and the rest of Great Britain. Since 1986/87, patronage in London has doubled, mileage has increased by 74% and fare increases have been lower than in the city regions.

Given this, we have long called for changes to the legal framework for bus provision outside London. We therefore welcomed the 2017 Bus Services Act which gives local authorities outside London a new range of powers with which to improve bus services – up to and including the powers to franchise networks of bus services in the same way that London does.

Powers to plan bus services are one part of the equation, adequate funding is another.

However, the way in which bus services are currently funded is too complex and does not reflect either the scale of the challenges the bus faces or the benefits that higher levels of public support would bring. Indeed all the main sources of support for bus services are under severe pressure which is leading to widespread cuts in supported services – cuts which will only get worse if the funding system carries on as it is.

Given the scale of the crisis on the buses we believe there is a strong case for reform of bus funding which reflects the broad benefits of supporting bus services through a new devolved, consolidated and enhanced 'connectivity fund'

Bus services would also benefit from the full implementation of existing traffic management legislation which would give local transport authorities the full set of powers they need to enforce the law on moving traffic offences (such as those in relation to yellow box junctions). This would help ensure that buses and their passengers do not get held up by vehicles that are breaking traffic laws which the police do not have the resources to enforce.

All the main sources of support for bus services are under severe pressure which is leading to widespread cuts in supported services – cuts which will only get worse if the funding system carries on as it is.



The way forward

- Greater recognition of the multiple benefits of supporting bus services through boosting bus funding via a new devolved, simpler and enhanced 'connectivity fund'.
- Full implementation of the Traffic Management Act 2004 to ensure that buses don't get held up in traffic jams caused by vehicles breaking traffic laws.

Rail cities

Use of urban rail networks has soared over the last decade. But investment is not keeping pace with the need for modern, high capacity and reliable rail networks that can take more road traffic out of urban centres.

History shows that successful and growing cities need expanding rail networks to make possible the concentrations of people and ideas that spark and sustain urban economies. The dramatic reductions in road space for vehicles in city centres, the need to tackle air quality challenges and the imperative to meet housing need without causing more sprawl and traffic congestion – all further play to rail's inherent strengths.

Over the last decade we have seen significant growth in urban rail use as city economies have grown. We have also seen significant and welcome investment in those networks. However, much (but not all) of these investment programmes are incremental, and in some cases unavoidable given ageing infrastructure. It is also still the case that where counterpart European cities have tram-train networks, some equivalent English cities have single lines or even no tram, light rail or mass transit system at all. Lack of capacity on tracks and trains means overcrowding and poor reliability. In general cross-city heavy rail links are under-developed.

The quality of urban stations ranges from the good, the bad to the down right ugly. Outside of London, integration of the heavy rail network with the rest of the public transport network (in terms of branding, information and fares) is a mixed bag. Finally, there are extensive unserved 'rail deserts' in the city regions where buses struggle to provide a decent alternative given traffic congestion.

It's time for a step change in urban rail ambitions. To achieve this we need heavy and light rail networks with greater reach and adequate capacity to provide a higher density of services more reliably and which have a greater market share of city centre commuting. We need to use new tram-train technologies to switch more suburban services on street when they reach city centres. Our vision is of rail networks which are also simple and easy to use as well as being part of something bigger – integrated with wider public transport networks and intrinsic to broader housing and economic development plans. New and existing stations which feel, and are, safe and welcoming.

Stations which are assets not eyesores – which provide attractive gateways to city region towns and take the best of the railway's heritage and what modern design can achieve to act as wider hubs for local community, business and housing use. Rail networks which are accountable and responsive to the passengers and places they serve and whose identity reflects local identity.

As well as greater investment in urban rail to achieve this vision, we also need to see greater devolution of responsibilities for them. This would build on the success of full rail devolution on London Overground, in Merseyside and in Scotland where overall there has been a transformation in investment, performance and passenger satisfaction. This is because local decision makers have seized the opportunity to improve services which they know are vital to their wider economic, social and environmental priorities.

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The way forward

- A long term investment plan for urban rail networks to improve their quality, reliability and capacity.
- Widening and deepening the benefits of rail devolution – in particular full devolution for rail in the West Midlands and the North of England as well as over more of the rail network in London and the South East.

Smart futures for urban mobility

Rapid technological change is transforming the world of urban transport, bringing many benefits for travellers and cities. However, the legal framework has not kept pace, making it difficult to ensure the benefits are maximised whilst any unintended consequences are minimised (such as greater traffic congestion or safety risks).

Technological trends include the way in which new and emerging data sources are helping travellers make better informed choices about their journeys as well as helping transport planners to make better decisions about how to run and develop transport networks and services.

At the same time a proliferation of new vehicle technologies means that cars, buses and freight vehicles are becoming greener and cleaner as well as smarter, more connected and potentially more autonomous.

The means by which people pay for, and access, public transport is rapidly moving from paper tickets to smart media (including smartcards, bankcards, watches and smart devices). Beyond that, 'Mobility as a Service' options are opening up whereby travellers can buy packages of mobility which include the full range of available transport modes.

Technological change is also combining with social change and new business models in a way that has significant implications for transport.

In particular, the shift from ownership models to sharing or rental models is one reason why attitudes to car ownership are changing – particularly among young people. Meanwhile, new players (from Californian tech giants to local start ups) are offering new services which capitalise on these changes.

These include companies which provide information about transport services and payment via apps, new taxi and private hire providers and new dockless bike schemes.

Transport authorities have a critical role to play in capitalising on the benefits for both transport users and the future of our cities whilst at the same time seeking to mitigate or avoid the potential downsides. For example, the ability to easily access low cost private hire vehicles has clear consumer benefits. But if this leads to very rapid growth in PHV numbers, this can contribute to problems for cities like traffic congestion.

As transport authorities, we will seek to ensure that change does not result in sectors of society being left behind; that we meet

our obligations to improve air quality and reduce carbon emissions; and that congestion is managed and reduced in a way that promotes healthier streets and places. To do this, transport authorities need a regulatory framework which can keep pace with the speed of change. In an age of apps and Uber, taxi and private hire vehicle legislation in particular needs an overhaul so that urban transport authorities can manage numbers, quality and safety more effectively. In addition, there is a need for new powers to ensure that providers of new transport services which have an impact on wider urban transport provision enter into data sharing agreements with the transport authorities responsible. Finally, transport authorities need more flexibility around by-laws and highways so that new innovative vehicles can be trialled more easily and so that they can strike a balance between safety, the quality of the urban realm, innovation and consumer benefits in relation to dockless bikes, scooters and whatever the next wave of change brings to our roads and pavements.

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The way forward

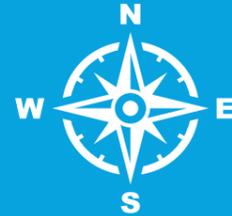
- The regulatory framework needs reform to keep up with the pace of technological change in urban transport – in particular for taxi and private hire vehicles, for data sharing and for by-laws and highways.

Better urban transport: The ten key policy changes we need

In this report we have set out how the right urban transport policies can help make city regions the healthier, fairer and more prosperous places they want to be. We want to work in partnership with Government to make this happen. Here, we summarise the ten key actions which this report shows are needed in order to underpin an effective partnership to transform urban transport for the better.



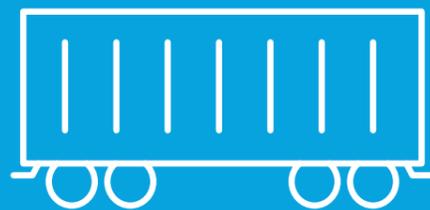
1. A new enhanced and stable capital and revenue funding deal for urban transport which recognises the exceptional economic benefits of investing in urban transport as well as the major challenges that lie ahead – including on air quality, climate change and harnessing the benefits of technological transformations.



2. A national planning framework that promotes transit oriented development rather than low density sprawl.



3. A more ambitious national policy framework on air quality so that city regions can play their full part in tackling local air quality problems.



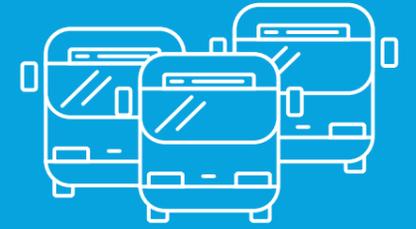
4. A national strategic freight policy so that city regions can help to ensure more long haul freight accesses the city regions by rail and water where possible, whilst ensuring that last mile local deliveries are made by city-friendly, low impact vehicles or modes.



5. An ambitious national active travel strategy that seeks to accelerate growth in the number of trips made on foot or by bike whilst recognising the need for adequate funding for its devolved delivery.



6. Greater recognition of the multiple benefits of supporting bus services through boosting bus funding via a new devolved, simpler and enhanced 'connectivity fund'.



7. Full implementation of the Traffic Management Act 2004 to ensure that buses don't get held up in traffic jams caused by vehicles breaking traffic laws.



8. A long term investment plan for urban rail networks to improve their quality, reliability and capacity



9. Widening and deepening the benefits of rail devolution – in particular full devolution for rail in the West Midlands and the North of England as well as over more of the rail network in London and the South East.



10. Reforming the regulatory framework to keep up with the pace of technological change in urban transport – in particular for taxi and private hire vehicles, for data sharing and for by-laws and highways.



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