



Transport Knowledge Hub South West Event
Monday 27 March 2018
10.00am – 2.00pm, KPMG, Bristol

NOTE OF EVENT

Gerard Whelan, Director of Corporate Finance, Government and Infrastructure at KPMG introduced himself as the event chair and welcomed delegates to KPMG's Bristol office. He noted apologies from Professor David Begg who had been unable to attend the event due to illness. Gerard said that today would be a very interesting topic, as we are at the start of a revolution which might disrupt transport needs and choices people make about transport – driven by changes in the nature of work and how we produce goods and services. He added that changes to geography and new business models are shaping the way in which we think about asset ownership, with a possible future focus on shared ownership. He said the question is whether we let the market get on with driving economic change, or if there is a way in which politicians 'nudge' or guide the development of technology and our communities so that we can get better outcomes.

Claire Haigh, Executive Director, Transport Knowledge Hub welcomed delegates and outlined the role of the Transport Knowledge Hub. She highlighted the themes that had developed at the previous four regional events.

Alice Darley from the Strategy and Planning team at Highways England spoke about what Highways England are doing to support economic growth in the South West. She outlined the 5 strategic objectives including the need to support the national economy. She outlined that Highways England have carried out an in-depth study looking at the role of the strategic road network to the economy, including working with stakeholders such as Local Enterprise Partnerships. She added that the Highways England strategic economic growth plan identifies four economic goals – supporting business productivity, efficient routes to international gateways, supporting developments and supporting the performance of the transport sector, both as an employer and providers of contract and employment opportunities.

Alice said that one of Highways England's key issues is RIS1 which she said they are half way through delivering. She mentioned that this involves over 100 improvement schemes, specifically highlighting ongoing works on the M49 Avonmouth junction, as well as the Taunton to Southfields road and A417 'missing link' to Gloucester.

Alice said that the growth and housing fund is a national £100 million fund that is directly focused on unlocking stalled development sites across the country, and South West has about 15 schemes. Alice mentioned an example in Exeter, the new A30 pedestrian bridge which allows more traffic. She said that they are working with the West of England Combined Authority to develop a joint strategy and working with Gloucestershire for preparing growth along the M5 corridor.

Alice outlined the forthcoming RIS2 strategy. She said that strategic economic growth plan was part of the evidence base for this, and that Highways England had looked at a number of different changes in technologies, both in vehicles and the wider construction. She said that government are very much in the lead on RIS2 now, and Highways England are working with them to examine all the potential schemes that might benefit from the investment strategy. Bids will be judged against criteria including wider economic benefits.

Event chair **Gerard Whelan** asked how Highways England can better integrate local economies to develop better end-to-end transport. **Alice Darley** said that the work Highways England do with local authorities is in-depth and focuses on developing local plans and future development schemes. She added that Highways England are working with transport providers such as Network Rail and are also very much engaged in the major road network consultation.



Event chair **Gerard Whelan** then opened the floor for questions. **John Sorrell, Principal Transport Planner, Hampshire County Council** asked what Highways England is doing to facilitate a move towards electric vehicles. **Alice Farley** said one of the major things Highways England look at is autonomous vehicles agenda, and that there is a lot of work within their innovation team to help develop that technology and think through what impact it will have on the road. She added that there are obviously safety implications which they recognise, however this technology is moving fast and Highways England are very much on the forefront of this.

Vinita Nawathe, Chair, TravelWatch SouthWest (TWSW) wondered whether Highways England are thinking about the bigger picture in terms of strategic integration in the region. **Alice Darley** responded by saying that Highways England is mindful of the need to plan connections between different transport systems which could often be improved. She added the relationship with Network Rail has improved massively and that they have regular meetings to focus on how they work together.

Gerard Whelan asked if industry is doing things in a way which is efficient and best value. He added there is a lot of money in RIS1 and RIS2 and asked what Highways England is doing to drive efficiencies. **Alice Darley** said it is always a challenge to get things delivered as fast as possible in most efficient way, and that there is no 'single bullet', but partnership working can help with this.

Event chair **Gerard Whelan** then introduced the next speaker.

Giles Fearnley, Managing Director, First Group said the South West region had been doing very well in terms of increasing bus patronage and that there are a number of reasons to be cheerful. Giles said that many of markets that First Group serve are growing year-on-year and that bus patronage in Bristol and in wider West of England and North Somerset have been growing for four years continuously with a 30 per cent increase in bus patronage.

He said there is a revolution underway in bus sector and the way in which we connect and transact with technologies, for example contactless ticketing and mobile apps giving information enabling passengers to plan their journeys better. He said that in terms of contactless ticketing, the 5 bus operators outside London will have completed 100 per cent roll out of contactless by the end of this year. He said that First Group have rolled out a journey planning app and they have a range of roads across the UK with dedicated bus priority. He said there are now more reliable journeys, for example a 40 per cent off reduction in journey time on bus journeys in Manchester, achieved in less than 2 years.

Giles said that air quality is important, adding that Greener Journeys are doing a great job in getting that message out there; bus is the only way to quickly achieve a transition from cars and that will improve air quality. He said that First Group are investing in local partners who are helping to do their bit, he mentioned the work in Cornwall where they have a great vision for bus and integrated transport systems. He alluded to the improvement in the MetroBus scheme in Bristol which will better link the north and south of the city and has the potential to be transformational.

Giles said it was not time to be complacent and opportunities like this event help to reflect on what is working and how we must keep working together in both rural and urban areas if we are going to maximise the efficiency of bus as we tackle the congestion agenda. He said that Bristol is one of the worst areas in the country for congestion. He added that bus needs investment just like road and rail, and that bus is not a marginal issue, it is central for the future of the South West of England. If bus does not succeed, neither will our places.

Event chair **Gerard Whelan** said that there are areas where we have seen growth, but the question is what is different in those areas where local political control is willing to take some very brave and bold steps to make investment. **Giles Fearnley** said the recent Bus Summit in London reminded



him that one of the negatives is when local authorities and politicians change their minds and you don't get consistent policy in an area. He said that where we see roads well it is because there is a solid understanding of what bus can do, where bus policy is sustained and supported.

Ian Harrison, Transport Advisor, Heart of the South West LEP said that bus corridors can work well with investment. Ian asked for Giles's view on government enthusiasm for supporting capital investment. He added that Local Enterprise Partnerships bid for funds, but most of spending is government capital spending. **Giles Fearnley** said there has never been a period where there has been such a good understanding of the role bus can play, and that government also agrees with this. He said the answer is yes, the Department for Transport are absolutely behind the bus and what the bus can do, when they look at allocating funds they realise that the bus is a solution which is needed.

Vinita Nawathe of TWSW said she lived in Bristol and was very happy with contactless payment, but said in London it is daily fee capped, but that was not the case in Bristol. **Giles Fearnley** agreed, saying contactless was still relatively new. He said that First Group currently delivered model 1 contactless, simply the cash exchange, which is being used by about 20 per cent of their customers after 3 months, without seeing any fall away from people using mobile tickets. He said First are developing model 2, which will enable them to cap on a daily basis.

Tom Alexander, Transport Research Officer, West of England Combined Authority asked how bus services can improve further. **Giles Fearnley** responded saying that bus industry focuses very heavily on partnerships, and that sometimes there is teeth and sometimes there is talk with no action. He added that enhanced partnerships across the UK are better in some places than others, but they are important to stimulate thoughts on what can be achieved and how different sides can work together to deliver on our commitments.

Richard Gillingham, Transport and Strategic Projects Manager, South Gloucestershire Council asked in terms of the future, are we moving towards gas power buses for longer term, or will there be innovation in electric buses? **Giles Fearnley** said that lower diesel is the answer today, but in the long-term electric has got to be the focus. He added that a challenge is that electric is very expensive at the moment and the ability to provide power for recharging is difficult. He said that it will come, but there was no need to rush in to electric, as the technology is not good enough yet. He said that gas is hugely important, where capital costs are within reach, running costs are very attractive and durability is good.

Robert Murphy, Principal Transport Planner and Development Manager, Wiltshire Council said that Alice talked about interaction between Network Rail and Highways England, and asked to what extent First Group align and seek to achieve seamless journeys with train operators? **Giles Fearnley** responded by saying that First Group do integrate with Great Western Rail in the South West and that they continue to talk to rail networks about opportunities. He added that they have to wait for rail to catch up with technology, for example in Cornwall their transport vision is an entirely joined up network in terms of connection and activity. He mentioned work between First Group and Highways England, including integrated funds to enable buses to access Highways England's routes.

Event chair **Gerard Whelan** thanked Giles for his contribution and said buses clearly have an essential role in democratising and connecting economic activity. He invited **Cllr John Hart, Chair of South West Councils and Leader of Devon County Council** to speak next.

Cllr Hart opened by saying South West Councils is a large and long area and it includes six Local Enterprise Partnerships. He said it is a long peninsula and home to five and a half million people, it also has the M4 corridor, the M5 and M38 and the M3. He said that there was only one major route to Exeter and that was a motorway, and that they had major issues at Stonehenge. He said that until we get two real routes in the South West the region will struggle, and that the accidents



in the Taunton/Exeter area cause chaos. He added that motorways were over capacity and that the region needed more rail passing points and infrastructure to support trains.

He added that it was interesting to note that the harsh weather three weeks ago shut down Devon County Hall, but 16,000 members of staff 'clocked in' online to work from home. He said in some respects that will be the future for all of us. Cllr Hart said that his plea at the event today is very much that we need better infrastructure, and added that South West Councils were more efficient than national organisations at getting it sorted. Cllr Hart said that they can and will achieve better infrastructure, and that local authorities work together as South West Councils very well.

Cllr Hart summarised by stating that as a local authority we need growth, we need to get more efficient, we need a better GDP and better training. He added that they know what they want, and that national government needed to support them rather than tell them what to do from above. Cllr Hart said Network Rail had opened railway stations in and around Exeter but they cannot get agreement for a station where people want to work.

Event chair **Gerard Whelan** said that Network Rail is 'open for business' and DfT issues guidance on rail sector. He asked if Cllr Hart sees these initiatives as being able to bridge some of the difficulties that he has experienced. **Cllr Hart** responded by saying that to solve the problems they have they need more rail passing points, and need to have ability to get one train up and one train down the line at same time. He added that more train services are not practical unless they have infrastructure put in to place.

Andrew Ardley, Regional Development Manager, South Western Railway asked whether the South West can challenge Midlands Connect as a subnational transport body. **Cllr Hart** responded by saying that they are going to work in two units: Somerset, Dorset and Cornwall on the one hand and Bristol, Bath and Wiltshire on the other as they have different interests. He said the government work on a long-term basis, and a lot of investment is promised for 5, 10 and 20 years' time, but said when we are planning for twenty years not many people will benefit now. He mentioned the instantaneous benefit of using PFI as a finance mechanism.

Cllr Mark Shelford, Cabinet Member for Transport, Bath and North East Somerset Council was the next panellist to speak. Cllr Shelford set out the budget challenges that Bath and North East Somerset Council have on transport. He said they have a road repair bill of £53 million and he has a budget of about £4 million to fix it. He added that this means he has to prioritise. He added that investment in clean air will not fix the congestion problem, and that we need to think very carefully about how we are dealing with this problem and make sure we think about any unintended consequences.

He said a move to electric vehicles would require 18 gigawatts of extra power on top of what the area already draws from national grid. He said that since he took over as Cabinet Member for Transport, he had only used active transport and had cycled 53,000 miles on his bike which had saved 72kg of carbon. He said that this was an imaginative approach, which showed that they could solve transport congestion in Bath through a system of electric bikes. He mentioned pedestrianisation, saying that he believed that this is an option that would improve local business in Bath.

He said Bath's roads were quiet in the school holidays. He added that he would like to see free school buses for all schools. He said that they cannot force parents put children on a school bus so we need to try and induce behaviour change through convincing parents to use the school bus. Cllr Shelford mentioned a park and ride project that he initiated, and said that he learned from that experience the importance of having the community behind them on any projects that are being undertaken, as community acceptance is crucial.



He added that there is no one 'silver bullet' to deal with problems, but that they need the right people, the right vision and right support. Cllr Shelford paraphrased Bill Clinton's 1992 election slogan by saying "It's the environment, stupid" adding that we need to make sure that we leave the planet in a better place for future generations.

He added that there could be better integration, such a series of networks where Amazon could deliver parcels to lockers at park and ride station and students could collect them and deliver them on their bicycles, which would reduce the number of diesel vans we needed. Cllr Shelford said that the introduction of a Metro Mayor is a game changer and that the West of England Combined Authority (WECA) enables local decision-makers to do things which they had not been able to do before, including spending money in an integrated way for the whole area. He ended by issuing two challenges to other panellists: he challenged Giles to deliver a bus strategy starting with a blank sheet of paper where communities live and want to go. He challenged Alice regarding dual carriageways which lead to nowhere, asking why they don't create a park and ride there instead.

Event chair **Gerard Whelan** thanked Cllr Shelford for his contribution. Gerard said that there was a long list of important issues raised by his remarks, including courage to invest, having flexibly to innovate and the challenge of the school run. He added that vehicle miles in the school holiday don't fall during peak times but were still present on the roads at different times of the day. Gerard asked how we make better use of capacity and innovation in the way we do our activities, and how we garner a wider level support to drive through that change. He then opened the floor to questions.

Frank James, University of Gloucestershire, said that they were working with Birmingham on lowering carbon, and said that we should use local authority green waste to create green hydrogen to power buses and trams. **Cllr Shelford** responded saying that the problem with that is capacity, they only have 666 megawatts from the green waste currently produced, which isn't enough.

Ian Harrison from Heart of the South West LEP said he had a question regarding needing the right vision and right people to encourage change. He said that Cllr Shelford put forward an exciting vision of how Bath can be in the future. He added that it takes a lot of political courage to change things, and that we seem to be struggling with achieving political courage in the region. He asked whether it was possible to get political colleagues to support decisions even when they may seem unpopular. **Cllr Shelford** said he didn't have an immediate answer for that. He said it was a big problem especially with elections, and that sometimes when power changes a lot of activity that is put in place may not be retained. He said that part of his job was to ensure that all political parties are on board in the direction of travel and understand policy.

John Sorrell, Principal Transport Planner, Hampshire County Council asked a question regarding the park and ride. He asked why passengers pay when they get on the bus rather than buying a ticket at the machine. He said the experience he had was that the queue was an hour long just to get on a bus. **Cllr Shelford** agreed that tickets should be purchased at a machine, and that he said in his first meeting as Cabinet Member for Transport that they needed to change the charging regime so it's done by car not by individual.

John Sorrell said he was encouraged by the talk of incentivising people to use sustainable transport. He said the problem was that just providing people with sustainable travel choices doesn't mean they will actually use them. He asked what the view was in terms of making people use sustainable transport. He also asked whether we should make children go to schools in their own catchment area. **Cllr Shelford** responded saying that the carrot and stick approach needs to be thought about carefully in terms of what we use. He said he understood the power of community and how we harness it in order to get them to help us respond to our requirements. **Cllr Hart** said that when you have a large rural council like Devon, who spend £22 million a year on school transport, if you are 2 miles away from school you have to have school transport. He said that they do try and get those nearest to school to walk but that was also difficult.



Ed Plowden, Head of Local and Sustainable Transport, Bristol City Council said we need to think about how we put in congestion zones not just air quality zones. He added that it is perverse that buses are the first to get charged for air quality. **Cllr Shelford** said that congestion and clean air were not opposed to each other but they needed to think about both. He added trading diesel for petrol is going to give us a carbon problem. **Cllr Hart** said he had a gas car about ten years ago and it never really caught on, but you didn't know you were driving on gas. He said that organisations like councils might look at charging people to park their car at County Hall and then use that money to subsidise bus for park and ride. He added that government may well instigate this kind of charging system even if business doesn't and that will certainly start reducing the volume of traffic in the city centres.

Andrew Wickham, Managing Director, Go South Coast, said that housing and demand for affordable housing was important, and asked how we can provide additional housing without increasing emissions and worsening congestion air quality. **Cllr Hart** responded by saying that he can't provide housing without some worsening of congestion, but the problem in the South West is that they are not building enough or the right types of houses. He called for a new form of housing where local authorities get some control on the pricing of it. He continued by saying that Right To Buy was an issue and other forms of community housing which is controlled by local authorities was important. He added that the private sectors' need for profit has added a further problem along with land value. **Cllr Hart** added that they had built two new towns and plan to build eight more, and these have infrastructure to keep buses running in the hope that it will be a service that is available as housing develops. **Cllr Shelford** said that a joint transport plan and local plan needed to be integrated.

Robert Murphy, Principal Transport Planner and Development Manager, Wiltshire Council said that sustainable development has only been in pockets, and we now need 300,000 homes a year in the face of declining local authority resources. He asked how can we achieve sustainable developments and integrate transport. **Cllr Hart** said to be successful we need local authorities to build more homes.

Event chair **Gerard Whelan** then brought discussion to a close and thanked the panel.

Claire Haigh said that it had been an excellent discussion, and thanked the speakers and panellists for taking part. She said it was great to talk about a wide range of topics, such as strategic growth plans and at exploring how the South West has been a success story for bus, as well as the importance of political will and appetite in the area. Claire added that we need to take on the hard choices and build cross party support; it cannot be left to political cycle.