



Transport Knowledge Hub North Event
Thursday 15 March 2018
10.00am – 2.00pm, KPMG, 1 Sovereign Square, Leeds

NOTE OF EVENT

Host of the event **Gerard Whelan, Director, Corporate Finance, Government and Infrastructure, KPMG**, welcomed all guests to KPMG, and outlined why KPMG support the work of the Transport Knowledge Hub.

Chair of the event, **Greg Marsden, Professor of Transport Governance, Institute for Transport Studies, University of Leeds** said Transport Knowledge Hub is “an exciting meeting house” for the transport sector to come together to discuss achieving sustainable and inclusive growth.

Claire Haigh, Executive Director, Transport Knowledge Hub said that transport is central to unlocking growth and can be transformative for local economies. Claire outlined that the Transport Knowledge Hub provides a forum for sharing best practice and to reflect on big issues facing the sector in the North.

John Hope, North West Operations, Highways England was the first panellist to speak. John outlined the key priorities for Highways England in the North, including the investment hub where £15 billion of government money has been allocated to Highways England.

John mentioned that the road investment strategy 2015-2020 has supporting economic growth as one of its main strategic aims. He said that we achieve economic growth by improving connectivity from poorer economic centres, as well as supporting local growth aspirations. In terms of how Highways England were spending money in North, he said that there were 12,000 miles of road with £4.2 billion invested in 33 new schemes.

In terms of designated funds, John said there were 5 categories, including innovation and housing and growth. He said that the housing and growth £100 million fund was helping to unlock stalled development sites, which has allowed thousands of potential new homes to go ahead and created thousands of new jobs.

John said that road technology was important for the future and said Highways England had developed a £150 million project on M6/M62, the first of its kind in Europe, making use of variable speed limits and new traffic systems with the aim of improving how we manage the flow of traffic.

Finally, John spoke about the importance of the RIS 2 period 2020-2025, saying that it was currently in the research phase, inviting stakeholders to have their say.

Graham Botham, Strategy and Planning Director (North), Network Rail welcomed the Transport Knowledge Hub as providing a good opportunity to talk about how Network Rail are transforming transport and the economy in the North.

Graham said that Britain’s railways are going through the biggest investment period since the Victorian era, particularly in the North of England. He said Network Rail were in the process of investing in a number of projects including the Great North Rail Project which is already transforming local economies. The Network Rail scheme will see 900 new train vehicles coming through the north of England.

Graham said that there was phenomenal economic growth in the north of England, especially in the large northern cities. New franchises are being developed that will bring 20,000 extra seats a day for people to travel.



He said that whilst HS2 is exciting, there are other investments taking place which are just as important, including improving journey times between York and Manchester. He said planning has been submitted to the Secretary of State for these improvements to be rolled out, and that Network Rail are ready to deliver with partners. He said plans will also mean 6 fast trains an hour between Leeds and Manchester which reduces travel time to just 40 minutes. Network Rail are working with Transport for the North to develop the concept of fast frequent services between northern cities.

Graham said central government is no longer the only place to go for transport investment. He said Network Rail are open for business and ready to deliver.

Jason Cooper, Transportation Business Manager, East Riding of Yorkshire Council asked whether economic growth included deeper rural areas, or is just exclusive to big cities. **Graham Botham** replied saying that he wasn't only talking about the strategic rail network, he was talking about the entire rail network. He said if local authorities needed investment that would generate benefits to the local economy Network Rail would be ready to invest.

David Budd, Assistant Director for Transport, Sheffield City Region said that the panel had talked about the rail network from Manchester to Leeds, but Manchester to Sheffield is the worst in terms of performance. **Graham Botham** said that the Secretary of State had announced funding to address this issue which has the support of Network Rail. He said that they were working in tandem with the Department for Transport to develop, design and deliver on this.

Event chair **Greg Marsden** thanked the first panel of speakers and invited the second panel to discuss the impact of transport technology on passengers in the future.

Kevin O'Connor, Managing Director, UK Bus, Arriva opened the discussion by saying that technology can help the industry in the future, but that it will also present challenges. He said technology is changing people's expectations and that the bus industry was catching up quickly. He said by the end of this year, Arriva will have contactless payment in the whole of the north. He said that it can be intimidating to use the bus but that technology is helping more people have confidence to use buses. He added that journey planning apps had also helped to remove barriers to people using the bus.

Kevin said that there will also be challenges presented by technological change. He said for example that electric cars still cause congestion. He said we can already do demand responsive transport now, and if that is a solution to challenges, we can launch that now. He said that algorithms for how to deliver demand response technology are lightyears ahead of where they were, and that Arriva were talking to local authorities in the north about how they can use demand response to help to passengers. He said that demand responsive technology will give Arriva the tactical opportunity to get new people using bus and remove barriers, but that they would still need to tackle congestion to ensure that bus speeds are quicker than car speeds. He said that in order to do that we need to put bus at the heart of cities and rural areas.

Peter Molyneux, Strategic Road Director, Transport for the North opened by outlining the role Transport for the North has and how they are enabling key stakeholders in the north of England to speak about transport with one voice to support infrastructure and growth which the economy needs.

He said the work done by an independent economic review showed that if we get investment right over next few years we can generate £100 billion of more activity and thousands of new jobs. He said that advocacy of all local authorities, LEPs and partners was crucial. He said that it must be all sections of north coming together to tell government what it wants to do.



Peter said that innovation and technology is important but the key thing would be about giving people choice. He said Transport for North will integrate travel, and that they were working with rail and bus providers to get information that they can develop into a seamless transport offer for the customer. He said that by early 2020, they would be rolling out a multi-operator price cap on journeys across north – making it easier to plan and access transport.

Peter closed by saying that the future is about data and information – better choices and better decisions. He said that we can use analytics to provide better outcomes. He closed by saying that customer is at the heart of what the industry is trying to do.

Simon Craven, Special Advisor, Go-Ahead, said he wanted to speak more broadly about the ways technology have already effect mobility services in the UK. He said three main things that he wanted to examine were automation, consumer psychology and money,

Starting with automation, Simon said you do not have to wait for a ‘robot taxi’ to see how automation has already impacted the market. Yet the challenge for us in integrated transport is how can we harness benefits to improve transport as a whole. He said it cuts to the heart of aggregation – getting as many people to make journeys as possible. He said that automation in the forms of e-commerce and retailing has undercut the high street which has changed demand for use of roads and how people travel.

Moving on, he said that consumer psychology was also an important aspect being changed by technology. He said the more time people spend online, they are interfacing with a world through devices meaning that their experience of the world is through a device that changes very quickly. He said that when you are habituated to that as a consumer, a bus or rail journey might feel like it changes at same rate, but it actually is a very slow rate in comparison. In fact, he said that rail and road hasn’t changed much at all.

The final point Simon mentioned was the importance of money. Simon alluded to the fact that the biggest change that transport is facing is not all about technology, it is also about money. He said the advantage in the transport industry had been because companies were able to run at massive losses, however that won’t last forever, and that the bubble will burst. He said that one thing that will not change, regardless of whatever technology provides, is that transport will continue to be an extremely capital-intensive industry – for example, the robot taxi utopia is a £200bn problem in the UK alone. He finished by saying alongside the technological challenges, they need to also address economics and politics as well.

Event chair **Greg Marsden** thanked the panel speakers. He said that one thing that is important is that infrastructure is a public asset and it’s up to us how we want to allocate that and therefore how we want to allow these new technologies to engage. He said that there was a lot for us to decide in the future. The chair then opened the floor to questions.

Anthony Rae, Volunteer Campaigner, Campaign for Better Transport said that the panel had not addressed the issue of carbon and challenged the panellists to show how they are going to deliver all these positive challenges whilst also acknowledging the scale of the carbon challenge. **Simon Craven** responded by saying that the fundamental drivers of this are going to be urban identification which will reduce distance travel, which he said was already in decline. He said we had to make sure that both deliveries and mobility make best use of currently unpriced common assets such as road space, air quality and carbon. He said it requires a degree of constraint on consumer choice. **Peter Molyneux** said that having a more seamless network would mean people and businesses can move in a far more efficient way. He said that new technologies are moving away from combustion engines. He said that carbon is one of the outcomes that we will deliver on by better movement. He said that future generations will use the network in a far more efficient way as they won’t have the same habits we do now. He said that he was hopeful of the future, and



that by working with partners the north could deliver real change and make of infrastructure whilst improving quality of life. **Kevin O'Connor** said people's choices are important in addressing carbon challenge. He said people don't connect the need to have their parcel delivered on same day with congestion on the street. He said trends and attitudes will change but tolerance wont, next day parcels will still be in demand. He said the challenge is to help people make informed choices.

Asiya Jelani, Business Development Director, DRT asked if the panel thought there is a catch up required for commissioning authorities to commission for outcomes. **Peter Molyneux** responded by saying we have to change the way we think about transport. He said that a good example was the opening of the second Mersey crossing – which has strong statistics but nobody could explain the difference it had made to peoples' lives. He said an important lesson for transport is the need to win hearts and minds and remind people how we are actually transforming their area and infrastructure needs, He said having a long-term plan allows for innovation from private sector to come up with better solutions, which is a key benefit of technology. He said that we need to deliver innovations like Citymapper for the whole of the north, which will be truly transformational and grow the economy.

Rachel Freeman, Research Associate, University of Manchester said that generally if you already own a car it is cheaper to travel by car than by public transport, She asked how we can turn that around so public transport is cheaper. **Simon Craven** said that car is not cheaper it just appears so. He said we need to use technology to arrange peoples travel through multi-model journeys, which makes efficient use of environmental assets. **Kevin O'Connor** said that we need to convince people that they don't need a car or a second car. He said we need something that gives people more options, and that there is a gap in terms of transport which can be filled if people can see how much cheaper their journey would be if they shared travel.

Tony Plumbe, Chair, Rail Group Campaign for Better Transport, West & North Yorkshire asked what the panel understood by economic development, and also asked about health spending and transport. **Simon Craven** said we are going to have to reduce environmental impact, but we are not going to reduce it to zero. He said the fact is that health has improved, and people are living healthier, longer and more productive lives.

Event chair **Greg Marsden** thanked the second set of speakers and invited a panel of sub-regional bodies to offer their contributions.

Simon Warburton, Transport Strategy Director, Transport for Greater Manchester was the first to speak and started by setting out the resurgence that in Greater Manchester is having as a metro region. He said the Greater Manchester population is bigger than it ever has been. He said the fact that they have turned the corner to such an extent was a testament to their society and economy. Simon said that technology had helped progress, and that technology needs to adapt to respond to this population growth.

He said we must ensure that we continue to strengthen places in the north that offer economic benefits. He spoke of the inescapable environmental challenges such as air quality and public health issues that we must respond to. He said we must build transport systems that are resilient to changes in the environment, such as green cities, that are not just nice but will actually be more competitive cities in the long term.

Simon said we need to combine and adapt technology to support our places. He said they needed to combine electrification and automation and fit it in with a shared economy. Finally, he said we needed to understand the impact of technology on our places – we must make sure we plan for scenarios as no model gives an absolute answer.



Mick Noone, Director of Integrated Transport, Merseytravel outlined how Merseytravel were part of the Liverpool City Region combined authority. He said that they existed to help the authority achieve economic growth. He said that Merseytravel are currently spending £460mn on a new fleet, replacing one of the oldest in the country, and that would be ready from 2020. He said that Arriva and Stagecoach had continued to invest in bus fleets in Liverpool City Region. Mick said that there are other technological changes that can be made, for example the digital railway. He said that bus patronage is increasing, as products such as MyTicket has instigated growth in bus use especially amongst young people. Mick said that one of the key aims must be to get more young people on the bus at the first opportunity, and keep them on the bus. He alluded to the fact that wifi and CCTV were important for young people when using the bus. He explained that Merseytravel are establishing a route network which will give main road access to Liverpool city and other access points to airports and ports. He also alluded to the fact that they were conscious of the rise in demand for on-the-move mobility such as Uber.

Phil Meikle, Transport Strategy Director, Nexus was the next panellist to speak. He said that transport is many different things to many different people and that we need to concentrate on strategy and design. He said it's important not to fall into a trap where we think about vehicle changes rather than concentrating on people. He said we need to make technological change co-exist with economic change and needs.

Phil said that in Tyne and Wear, we want to better integrate on-demand and mass ticketing and support both bus networks and the Metro system. He said at the same time it was important to encourage walking and cycling. He said that they are also thinking about school bus services, saying that despite services being available, some parents still choose to drive their children to school which means unnecessary cars on the road. He said new demand responsive technologies can be developed to address these types of issues.

Liz Hunter, Interim Director of Policy & Strategy, West Yorkshire Combined Authority spoke about the role of the public sector in a changing context. She said that there is still a role for the public sector to set out, understand future needs and make it happen. She said it is important as the changing context of technology means we are often in danger of so many different proposals being put forward, and then end up investing in projects that may not actually be right for our area. Liz mentioned it was important to pick through the vast amount of new technological opportunities that local authorities can invest in, and make sure that we advise politicians the best areas to invest. As part of this, building effective partnerships was extremely important. Liz alluded to the fact that only together will it be possible to make changes and address challenges. She said Transport for the North was a great example of that partnership working in practice.

She said that a lot of the talk around technology was focusing on five to ten years' time, but for many people it's actually about today and tomorrow. She said it was really important to capture the young person market, and ensure that 16-17 year olds are still using the bus when they are older. Making bus services an attractive offer to young people is vital.

Liz made clear that inclusivity is also vital as technology changes how people interact with vital services. Making sure that all people of all ages retain access to transport is important. She said we must not leave people behind, and that the public sector do not pick who their customer is, everybody is their customer.

She closed by saying that flexibility on behalf of the public sector is important in address long term spending challenges and that they needed to be more flexible when working with partners in private sector.

Tim Taylor, Director of Customer Services, South Yorkshire PTE opened by saying that customer expectations were changing, with demand of services on point of request – and that public



transport needed to catch up on that and improve the ways customers interact with services on all networks. He said that data shows customers do not check timetables anymore, customers turn up and demand services there and then. He said that technology can play a significant part in helping customers plan their journeys in a way in which they can integrate various modes of transport.

He said that collaboration was vital to solving the technology problem. He said that they can start to manage information in a much more holistic way, exploiting data and looking at areas like the logistic sector, to best make use of loading capacities on vehicles and making best use of networks.

Tim alluded to the importance of the health agenda, mentioning that in Sheffield they had launched a new bike share scheme, with 28,000 new bike trips already taken. Integrating this mode of transport more fully with other existing modes will be critical for sustainable transport.

Event chair **Greg Marsden** thanked the panel and opened the floor to questions.

Jon Croxford, Area Managing Director, Arriva Yorkshire & North East asked for examples of where technology has been used to mitigate congestion on public transport. **Mick Noone** said that from Merseytravel's point of view, they are doing bus priority trials, and once those trials are completed they will be rolled out in the city region. He added that they were conscious and determined to do that successfully. **Phil Meikle** stated that back in the 1970s, Tyne & Wear got permission to build a Metro system and we should really find a means to introduce more if we really want to compete with the car. **Mick Noone** added that the important thing to note in relation to buses and congestion is that we can use technology to get buses through junctions quicker. **Simon Warburton** said that they are working on ways to make best use of technology in order to address the congestion problem. He said one of the things that have been proposed is an integrated 24-hour control centre within Greater Manchester which would allow better collective deployment. **Liz Turner** said the key thing is to use technology to help people make decisions – we need to get better at communicating with people regarding alternative routes and transport choices.

Dawn Badminton-Capps, England Director, Bus Users UK said the panel had talked a lot about technology but not enough about passengers. She asked how bus companies know what they are doing is what passengers actually want? **Liz Turner** said that surveying bus passengers is a really helpful way to understand satisfaction. She said the number one thing that passengers are concerned about is mobility. She said the barriers that need to be removed and those barriers are not always what people think they are. Things like interaction with bus drivers is really key. **Simon Warburton** said that he appreciates sometimes we head into technology and end up with a redundant piece of kit that does not change attitudes – but that actually wifi environments are absolutely popular on buses. He reaffirmed the need to use technology to reach out to wider groups, and that they would continue to listen to customers moving forward. **Kevin O'Connor** said Arriva base their bus improvements on research. He said when Arriva builds a bus it's for the long term. He said that young people stay on a bus for longer if it has phone chargers.

Anthony Rae then moved the discussion on to carbon targets. He asked each authority if they were aware of the governments carbon target, and if have they formally acknowledged it. He asked a second question focusing on the impact of Uber. **Tim Taylor** said that the carbon strategy is about improving air quality and living space. He said this cannot just be based on technology solutions such as vehicle fleet emissions, but that there must be a behaviour change amongst customers in the region. Responding to the point about Uber, he said it was important to blur boundaries between different modes and types of transport – we shouldn't ignore that transport must fit people's needs. **Mick Noone** responded by saying that Merseytravel already have an air quality steering group and that he was aware of what the government require them to do. On the issue of Uber, Mick agreed that it could have potential impact on bus and rail customers. **Liz Turner** said that WYCA have brought together transport and economic policy – looking at sustainable and clean



growth strategy. In terms of Uber, Liz said that there are both opportunities and challenges – and that has been demonstrated by the relationship TfL have had with Uber. She said the important thing was to integrate Uber and work with them because it is what people want. **Phil Meikle** said that the environment is absolutely key at what they do at Nexus, and that one of their big challenges was the availability of power. In regards to Uber, he said that they needed to be properly integrated, but that Uber also reminds the public sector that they need to step up their game – and ensure people spend their money on public transport. **Simon Warburton** briefly mentioned the Mayor of Greater Manchester's forthcoming Green Summit. He said that Uber was both a threat and an opportunity, and the best course of action was to work with them to understand what we are trying to achieve. **Peter Molyneux** commented that transport is a means to an end. He said that employers need to engage and actually recognise that they can do things to be flexible to help the environment.

Ian Morgan, Deputy Chairman, Wellglade said that value of money had not been mentioned in discussion so far. He suggested that if local authorities were really serious about getting to grips with traffic and congestion, then price does not even need to come in to the equation. **Phil Meikle** said he would struggle to agree with that point. He said price, time and convenience are factored into the time part of the argument and drive decision making when local authorities spend on transport. **Mick Noone** said that the challenge for local authorities is massive, and that solving congestion whilst also giving value for money is not an easy task. He said he admitted that local authorities were not that good at going back reviewing benefits of schemes implemented. On value for money, **Tim Taylor** said that it is a key factor for making decisions, but that it has to be relevant and balanced against the expectation of the customer. **Simon Warburton** said that there is no doubt that journey time is an important part, but if someone has a bad experience they won't use that service again regardless of journey time. Therefore, he said there must be a cocktail of measures to ensure consumer satisfaction.

Event chair **Greg Marsden** brought the discussion to a close. He summarised the discussions, alluding to the fact that urban networks and rural areas have all been discussed. He commented that there had been a lot of energy and enthusiasm about the challenges the industry face, and that mechanisms are there to support organisations who are doing great work. He said that partnership is important, and he had been encouraged by the degree of interactions during the discussions. He said that there had been great examples of innovation.

Greg finished by thanking all panellists, and the Transport Knowledge Hub for hosting a fantastic event.