

# Keeping London moving: transport

Working paper that underpins the  
transport sections of “*Getting  
London back to growth*”

18<sup>th</sup> June 2020



## 1. Public Transport:

A poorly managed return to public transport is a critical risk for our capital. This issue is particularly acute in London because, from a transport perspective, the city is unique in the UK. Millions commute in and out of the region on a daily basis and the city relies much more heavily on public transport than anywhere else in the country. Only 3 in 10 Londoners drive to work – less than half the rate of any other region in the UK. Combined with a funding structure that relies heavily on the fare payer, this has meant that lockdown has resulted in a 90% reduction in income for Transport for London as passenger numbers fell by over 90% on the Underground and by more than 80% on buses. Through an extended period of opening up and recovery there will be both a short-term need to support London’s public transport, and a long-term need to ensure the sustainability of the network.

### 1.1 Operating public transport safely and building public confidence

With social distancing required long beyond the formal end of lockdown, public transport capacity could be as little as a sixth of what it was before. But our survey of more than 1,000 Londoners showed that 42% don’t plan on making any changes to their commute once the lockdown ends. The Prime Minister has now advised people to stay off public transport wherever possible, but only 16% of Londoners said they would not use public transport for the foreseeable future. When lockdown ends, 24% of all Londoners plan to use the tube and 21% said they will use buses – this is down from 36% and 32% respectively before Covid-19. Technology and data will be able to help but this will not be enough. *Government, City Hall, Transport for London, and businesses will need work in lockstep to ensure demand is reduced and retimed.*

### 1.2 Funding Transport for London (TfL) now and in the future

In the short-term, Transport for London will require continued Government support. For at least as long as it is Government policy to avoid traveling by public transport, this will remain the case. City Hall and central Government will need to work constructively together to both keep Londoners safe, and keep the city moving. The Mayor’s response to the first TfL bailout rightly highlighted the need for a revised longer-term funding model “which will involve either permanent funding from Government or giving London more control over taxes so we can pay for it ourselves – or a combination of both.” Devolving responsibilities to London without devolving resources was always going to be an unstable structure. This crisis should be the catalyst for a fundamental rethink. The RPI + 1% fare rise mandated in the bailout agreement will not come close to being sufficient. This will require a grassroots reassessment of the fares regime and the subsidies within it. It will require a new generation of pricing techniques for road use. And it will require new mechanisms to enable London to raise revenue locally. *In the absence of the reintroduction of a substantial grant from central Government, new localised powers will be needed to ensure sustainable funding for Transport for London.*

### 1.3 Redesigning the national rail network

In normal times, millions of people enter and exit London every day using the national rail network. Before Covid-19, a review led by Keith Williams was expected to recommend that the franchising system be abandoned. This happened sooner than expected as Government introduced Emergency Measures Agreements at the start of lockdown. This removed revenue risk from the operators and replaced it with a small management fee. Few expect a return to the previous system and the process of establishing a new, permanent, equilibrium should consider the appropriate level of control for individual routes. Equally important is reforming the rail fares structure. Covid-19 is likely to accelerate the trends of home working that had essentially destroyed the season ticket as a viable product. And with split ticketing apps becoming increasingly popular, the anomalies within the existing system were already fatally undermining it. *A rationalisation of the 55 million different rail fares across the UK is long overdue and, where practicable, commuter routes should be controlled by the directly elected representatives of the city regions that they serve.*

## 2. Modal shift

With public transport capacity likely to be severely reduced for the foreseeable future, it will be imperative for Londoners not to revert to car-based travel. There is simply not the space on London's roads to accommodate this. As such, a combination of carrots, sticks, and creative thinking will be necessary to ensure that Londoners change their behaviours in a way that is sustainable. Where opportunities to expand network capacity quickly do exist – such as passenger services on the River Thames – they should be seized. This has the potential to help reimagine travel around the capital in a way that endures well beyond the current crisis.

### 2.1 Creating Streetspace and encouraging active travel

It is vital that Londoners heed the Government guidance to “cycle or walk wherever possible”, but London First polling showed only an extra 4% of workers planned to do so once lockdown ended. Policymakers and transport authorities need to take urgent steps to encourage sustainable, safe, and socially distanced travel. Transport for London are already heading in the right direction with the Streetspace initiative providing new cycle lanes and wider pavements. London has however previously been subjected to hastily implemented re-allocations of roadspace and, as an increasing number of companies return to business, it will be necessary to ensure that this temporary adjustment is not having unintended consequences. *As the economy begins to recover it will be important to regularly assess the success of the Streetspace campaign against its objectives and consideration should be given to the practicality of making these changes permanent.*

### 2.2 Accelerating the experiment with micro-mobility

London has to date had a chequered experience with micro-mobility but Covid-19 has highlighted the need for alternatives to private car use and public transport. A long-term integrated plan to hit the Mayoral Transport Strategy target of 80% of journeys being

taken by public or active transport by 2041 should deliberately enable sustainable “last mile” connections to and from public transport. Sharing platforms – such as dockless bikes – and new forms of mobility – such as e-scooters – must form part of this, but it must be done in a coordinated way. London must learn from the cities that have liberalised too quickly with resulting problems of pedestrian obstructions, safety risks, and street space management. London must also recognise that people do not live their lives according to borough boundaries. *The introduction of a pan-London dockless vehicle bylaw (or similar coordination mechanism), as well as legislation enabling controlled trials of e-scooters, should be brought forward as soon as possible.* Longer-term it will be critical to recognise that personalisation was underpinning pre-Covid-19 trends. This applies as much to goods and services deliveries as it does to passenger transport. *London needs an integrated freight and deliveries strategy and a dedicated commissioner in City Hall driving forward a plan to keep this vital part of the city’s economy moving.*

### **2.3 Designing and implementing a comprehensive road user charging scheme.**

At the peak of Covid-19 road charging schemes, including the Congestion Charge and the Ultra Low Emissions Zone, were suspended. They have rightly been reintroduced and, in the case of the Congestion Charge, increased. But they are blunt tools in the face of underlying trends. The Ultra Low Emissions Zone should make itself redundant as drivers transition to cleaner vehicles, whilst the Congestion Charge has only ever operated as a flat charge in a small part of central London. Dual pressures mean that it is now time to revisit how London pays for its roads. On the one hand there is an unprecedented challenge to TfL’s finances and new sources of revenue will be needed in the medium to long-term. On the other, there is a short term need to control demand for road space. As London is highly constrained, and there is little prospect of expanding the supply of road space, managing demand on London’s roads will remain an issue beyond the Covid-19 recovery. *The next mayoral term should be the one in which London moves to a second generation of road pricing.*

## **3. International travel**

Over 1.5 million jobs across the UK are supported by air transport and more than 40% of our trade with non-EU countries travels by plane. There are whole sectors of the economy that simply won’t get back to full strength without thriving international connections: Britain’s manufacturers who rely on air connections to export goods; our world-class universities who get £6.9 billion a year from international students; and the tourist industry that accounts for more than 7% of the national economy. These are some of the UK’s world-beating businesses and they need a clear plan to get flying again.

### **3.1 A risk-based approach to international travel**

Since Covid-19 struck, this principle has been abandoned in favour of indiscriminate and indefinite advice not to travel internationally. There is now a mandatory 14-day quarantine scheme for all arrivals into the UK that will ensure international travel remains

largely grounded. A risk-based approach would allow for bilateral deals with low-risk countries and key trading partners. It should be coupled with a common international standard for health checks. These deals will need to take into account the origin of the plane, train, or ferry arriving into the UK as well as any other countries that the individuals on board have visited recently. Some may have been reliably tested before departure, whilst others will need a thorough health screening on arrival. And some, but not all, will need to be quarantined. The Government should be at the forefront of forging common international standards and ensuring a controlled return to international travel. A risk-based approach would also include Foreign Office travel advice being issued on a case-by-case basis. This has important implications for the validity of travel insurance, and for airline scheduling. Covid-19 outbreaks have occurred at different times, and spread with different speeds and severities. *Government should return to a risk-based approach to both inbound and outbound international travel as soon as possible.*

### **3.2 A long tail of support for international travel businesses**

As we move into the recovery phase, the Government will increasingly need to differentiate between different industries. Some companies will get back to work with relatively little difficulty once lockdown is properly lifted. Others will take months, if not years, to recover. For the industries that will take longer, uncertainty will compound the problems caused by Covid-19. Aviation falls firmly in the latter camp with multiple factors – from lead times for bookings to confidence in public health systems around the world – meaning that employment support is going to need to be maintained for longer. A business rates waiver for airports, similar to that which has been offered by the Scottish Government, would also be significant whilst industry revenues are at, or close to, zero. *Most importantly, the job retention programme must be tapered in a way that recognises the different requirements in different sectors.*

### **3.3 A long-term strategy to support recovery and growth across the UK**

As airlines decide which routes to restart, Government and industry should work closely together to ensure that the UK returns to being one of the best-connected countries in Europe. Airlines no longer making use of their slots will need to be encouraged to give them up to ensure capacity is available and competition enabled. Rethinking our approach to aviation taxation could support this whilst further incentivising industry-led decarbonisation plans, as set out by Sustainable Aviation. And if we get this right, the UK could further develop a long term, high value, strategic advantage in this field. However, for the sector to flourish, the Government must unequivocally indicate that it still intends to support growth in the aviation sector. This will allow the private sector to make investments and maximise the contribution that aviation can make to the recovery. Surface access improvements, both public sector and market led, should be a priority alongside a revised National Policy Statement. *Government support for growth in aviation capacity should be integrated with a comprehensive National Infrastructure Strategy.*