



CPT Sheffield CAZ Response

The Confederation of Passenger Transport UK (CPT) is recognised by the Government as the UK trade body for bus and coach operators with in excess of 90% of bus fleet, and 70% of coach fleet within its membership numbering around a thousand business members. In the wider Yorkshire region, CPT represents over 60 operators ranging from SMEs to the larger group operators. As part of the consultation process we have also engaged with local non-members to ensure our response was consistent across the sector.

CPT would make the point from the outset that buses and coaches are part of the solution both in terms of capacity benefits and in working towards providing cleaner and newer vehicles. The Government's Air Quality plan also recognises this fact.

The July 2017 Government plan acknowledges that the latest Euro VI diesel buses & coaches can emit less NOx per vehicle than the latest diesel cars. In other words, a brand new diesel car with a single occupant can emit more NOx than a new coach carrying 50 or more passengers.

The bus and coach sector is committed to working with local authority partners on improving air quality in a way that is proportionate and works with operators to ensure that any financial effect is mitigated. We believe if measures and support are introduced proportionally, the bus and coach sector can work positively with Sheffield City Council to improve air quality and reduce car use.

As Sheffield City Council highlight, 80% of traffic in the proposed zone is private car use and whilst improvements in air quality are crucial, reductions in congestion are equally as important and necessary.

As an industry there is also significant work in exploring the reliability of new technologies with a view to further improving the emissions, CPT has various supplier members working in this field.

CAZ C

The proposal suggests a CAZ C which will include buses, coaches, taxis LGVs and HGVs. When studying the data produced by Sheffield City Council, it is clear that private car accounts for around 80% of traffic movements in the City and in each case accounts for significantly less capacity compared to bus or coach.

Data from Sheffield City Council also shows the two main areas of poor air quality to be around the Railway Station and The Parkway, a cursory glance at traffic flows would show bus and coach movements not to be as a significant contributor compared to other modes.

Although retrofit solutions are available for buses, there are currently limited retrofit solutions for coaches to Euro VI so the vehicle purchase cost, or the modelled daily charge for coach operators means the effect on bus and coach operators is wildly disproportionate.

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In addition, the short timescale for operators to meet such steep compliance requirements is incredibly challenging, especially when such high vehicle costs are necessary. Research by CPT indicates that there are around 5000 Euro VI coaches in the UK, out of a total fleet of around 35,000. The Government only mandated the Euro VI standard for new coaches from July 2018. In addition, whilst bus operations are broadly predictable and local, coaches by their nature make different journeys every day and hundreds of operators may visit Sheffield each year, with frequency of visit ranging from a single trip to almost daily.

CPT would urge Sheffield City Council to consider measures to make car use less attractive such as increasing car parking charges in Council owned car parks and to consider introducing a workplace charging levy for employers who provide car parking facilities. Further Park and Ride schemes in the City, especially serving the Parkway could also encourage a degree of modal shift.

It is important to note that the UK Government has only recently taken action to ensure that new heavy vehicles are built to Euro VI standard. Whilst there has been significant publicity about the introduction of Euro VI LEZs and CAZs in the last couple of years, many operators had been purchasing new Euro V vehicles in good faith up to that point.

CPT recognises the detrimental effect of car usage on air quality. To not target measures against cars would not sufficiently encourage modal shift, if congestion is not reduced the cost of public transport would go up and in particular the socially deprived areas would then suffer most. In these areas it is often people who have no choice but to use the bus.

Prioritising road space for buses and coaches to ensure a fast and consistent journey time is essential to encourage people to make the switch.

Buses

Buses are the main travel mode in the region and have the capacity to support greater numbers of commuting passengers into Sheffield centre using low emission vehicles and services can be expanded if the demand is there. Increased bus use can also ease congestion, helping to improve bus journey times and reliability.

In Sheffield and South Yorkshire, the bus market is highly marginal with challenging bus demand.

The city centre economy and viability of most City bus services are connected, providing commuting links to employers and easy access to retail and leisure.

Bus users create more than £64 billion worth of goods and services nationally. Buses are the primary mode of access to city centres, responsible for facilitating 29% of all city centre expenditure. Restricting bus access to urban areas would threaten this.

Many bus passengers include disadvantaged older people and disabled people. It is important the mitigations and sunset periods suggested in this response are strongly considered, otherwise it will be the most dependent passengers who would suffer from any fares increase or deterioration in service.

Department for Transport analysis shows that where local bus services are withdrawn, some passengers are unable to make alternative transport arrangements - for 1 in 5 bus journeys a

practical alternative does not exist. A 10% improvement in local bus service connectivity is associated with a 3.6% reduction in deprivation. The corollary is that the imposition of additional costs on bus operation that results in a reduction in connectivity will increase deprivation.

We note Clean Bus Technology Fund (CBTF) support has successfully been awarded to larger operators previously; further funding will need to be made available either through the CBTF or via local funding schemes for operators of all sizes. It should be noted, in Leeds where the timescale for clean air zone implementation is more advanced, West Yorkshire Combined Authority has topped up CBTF funding to ensure all operators who applied were successful. Individual bus operators will outline the level of support required in their individual submissions.

Increasing bus priority is a strong requirement helping to make bus journeys faster and competing with car journey times to act as a viable alternative and encourage modal shift from car. The opportunity of the Transforming Cities Fund bid must be taken and in the longer term Sheffield City Council and the Combined Authority must work with operators to ensure traffic management policies favour bus priority to ensure these collective objectives are met.

CPT urges Sheffield City Council to make retrofit support available for bus operators of all sizes. Given supply chain constraints consideration should be given to a time limited exemption from charges for operators working towards compliance who can demonstrate POs to Sheffield City Council.

CPT Urges Sheffield City Council to provide communication and support to SME operators to ensure support opportunities can be accessed.

Coaches

CPT does not believe that Sheffield City Council has sufficient data to assess the volume of coach travel (irregular services or visits) into and around Sheffield, or sufficient knowledge of the economic benefits they bring. Again, the Government's own Air Quality Plan makes specific reference to regional coach operators and the benefits they can offer in reducing congestion and associated emissions.

The additional cost to passengers using coaches for non-essential trips (such as theatre, sporting, tourist and event trips) has the potential to make such trips unviable when considering a premium caused by using a Euro VI coach or paying the daily modelled charge. This has the potential to damage the economic benefits coaches and coach passengers bring to Sheffield whilst increasing the use of the private car.

The coach market is in the main served by SME operators who operate in a marginal marketplace. Coaches typically enter the proposed clean air zone on a less frequent basis per vehicle as some of the examples of operation below highlight.

The role of the Coach portion of the industry cannot be underestimated to the regional economy and to improving air quality. Examples include:

- Day trips and Holidays (both incoming and outgoing) providing a valuable means of preventing isolation to typically older members of society. Relatively inexpensive day trips

and holidays can be threatened by non-compliance charges or short term investment in newer vehicles in which the market cannot sustain.

- Scheduled services such as Megabus and National Express provide an attractive low cost means of travel particularly to price sensitive markets such as young people, students and people on low incomes. Again, incoming passengers are important to the local visitor economy. Any increase in fares to support non-compliance charges or short term fleet investment would hit the above sectors disproportionately.
- Educational trips involving schools, colleges and universities are very price sensitive and provide an important means of fulfilling specific curriculum requirements which may include swimming, visiting cultural places of interest and study visits. Operators fulfilling the education market only have business in this market for up-to 190 days per academic year making vehicle investment especially challenging.
- Sporting trips can include transporting sporting teams (including professional and college/university teams) as well as transporting fans for major events. This element is important for the safe transport of fans during periods of significantly increased footfall and traffic and is a means the Police and football clubs often promote. The origin of coaches will depend on the away team location and may come from areas where clean air mandatory measures do not exist meaning operators would be more likely to pay a non-compliance charge. This would risk the price sensitive nature of such group travel and be counterproductive in fans using other modes as individuals.
- The private hire section of the market is often underestimated by transport planners but provides capacity benefits to a guaranteed number of passengers, i.e. a private hire would not operate with little or no passengers. Private hires are valuable in taking a group to a set destination and are typically price sensitive so any increase in price would make such a hire less attractive and far more likely to encourage car use.
- Replacement for other modes such as rail and diverted flights often required a quick response and risks non-compliant vehicles being used or further delays while compliant vehicles are sourced providing significant increased delay to passengers, or an unplanned increase in cost for operators to bear.

The Government's Air Quality Plan acknowledges that the latest Euro VI diesel buses & coaches can emit less NOx per vehicle than the latest diesel cars. If the average occupancy of a coach is compared to that of a car (1.55), the benefits of coach travel are clear.

A 2016 study for CPT considered the economic impact of the implementation of the ULEZ in London. This showed that the loss to the London tourism economy was likely to be up to £186m. Whilst the impact would be considerably less in Sheffield due to the scale of the two cities and relative importance of tourism, we hope that this gives an indication of the potential impact, which the City Council may not have considered.

CPT is concerned that the proposals will make trips to Sheffield, or indeed within the city itself, less viable. This would have a detrimental effect on the ability of older and more vulnerable members of society to travel and make essential journeys, and would also adversely impact school and educational trips.

CPT would urge Sheffield City Council to carry out additional research and modelling into the benefits of effect of coach travel into the City.

CPT would urge Sheffield City Council to consider support packages for vehicle investment or retrofit (where available).

Sheffield does not currently have designated coach parking facilities and coaches cannot use bus priority measures in the City. CPT feels it is proportionate, using income from daily charges to review coach parking provision and use of priority measures to speed up coaches.

We should also ask that the Council consider a lower daily charge for smaller PSVs of Euro IV standard or below. This would avoid penalising smaller groups of 30 or less who choose a mode with much lower emissions and congestion impact per passenger than those who travel by car but who will of course pay no charge. Given that daily charges will in general have to be passed onto customers (and distributed amongst the group travelling), applying the full PSV charge to small coaches is likely to result in mode switch to car and increased emissions.

Lead-in times to compliance

The City of York has recently made available its proposals on a voluntary CAZ which would be based on engine type and on the frequency of movements into the CAZ City Centre area. The most frequent buses travelling into the City Centre will be required to meet Euro VI sooner whilst less frequent services are out of scope.

This is a sensible approach and CPT would urge Sheffield City Council to consider a similar position which would give operators who enter the CAZ less frequently a longer lead in time to compliance. This would ensure the continued viability of less economic journeys and is particularly important given the current absence of any coach retrofit solution. This could even be considered as a temporary solution.

This principal could be considered for coach operators making a small number of trips into Sheffield per annum with a minimum number of incursions before charges begin.

Educational Transport

Buses and coaches used on home to educational trips and on educational visits/sports trips operate in a marginal environment and any additional premium based on such transport (either by payment of the daily charge or through vehicle investment) may affect their very viability.

Operators serving the education market typically only have around 190 days per year of work in this environment and thus vehicle investment would not be affordable or supply the rate of return within viable timescales.

Leeds City Council, in their CAZ proposals has stipulated a minimum of Euro 4 vehicle for vehicles engaged in the carriage of Leeds state school pupils either on home to school transport, or educational trips. Support has also been available for retrofit or purchase of compliant vehicles to meet the Euro 4 standard.

CPT would recommend such an exemption for educational trips to include schools, colleges and universities.

Timescales for Compliance and Required Mitigation Measures

It will take time for bus operators to retrofit vehicles or bring in new vehicles with the numbers required, so giving so leeway initially will be vital. Whilst the investment in fleet is ongoing, there is a need to ensure the deadlines for compliance with Euro 6 standards are achievable. Suppliers are facing unprecedented demand for retrofitment across the country, and coach retrofit options are significantly more challenging.

In addition, the consistent message from all operators is that Sheffield is a low margin environment for both buses and coaches. There is a very real threat that without proportionate funding and sunset periods, operators will be lost resulting in job losses and reduced competition in the local market.

Financial support for retrofit should be made available either through the Clean Bus Technology Fund or via local funding streams. This is crucial to ensure operators of all sizes are able to provide a cost effective solution in either buses or coaches. In particular the effect of the proposed CAZ will impact on SME operators to a greater extent.

Clarification will be needed for operators with Euro 5 Hybrid vehicles.

Discussions with suppliers and the LowCVP/EST indicate that many coaches may never have a retrofit solution available. It is also important to note that research by CPT indicates that the minimum cost of a second hand Euro VI coach is £179,000.

A new Euro VI mid-market single deck coach costs around £275,000 and the cheapest options start around £200,000. Trade in values of Euro V coaches have plummeted by up to 30% in the last two years, affecting operators' ability to renew their fleets.

Retrofit options are significantly more of a challenge in the Coach Sector due to the more diverse nature of coach build/engine compatibility and the ability to demonstrate a sufficient market to retrofit suppliers. CPT welcomes the recent Government announcement of providing funding to bring a further 17 coach models to the retrofit market. This will take time to develop and certify. Each vehicle type needs its own accredited solution.

Retrofit equipment manufacturers highlight costs of £60-£100,000 to develop and accredit each type of coach. These costs must be recouped from the sale of units to a sector that is largely made up of SME companies with small volumes of different types of coach. Because of the way many coaches are built, with mechanical components packaged into different bodywork designs, there is a far greater variety of retrofit packages to design, for a single accredited system, than for bus.

There is only one testing facility in the UK that can be used as part of the accreditation process and that is currently booked up until December 2019.

Currently, there are only three retrofit solutions accredited for coach types - the Volvo B9R, DAF PR265 and Scania K360. CPT estimates that there are over 20 types of coach chassis/engine that

would require solutions. Even when coach retrofit solutions are approved, there is likely to be capacity constraint within the retrofit market.

Presently, many coach operators who would like to retrofit to Euro VI standards are unable to - although this situation will improve through time. There is a very strong case for a blanket sunset period for the sector or a phased approach.

CPT would urge for consideration of a sunset period for the coaching sector given the retrofit issues, marginality of the market and reduced frequency on incursions into the proposed CAZ. A sunset period could then be rolled back as further retrofit options are brought to the market.

Operational aspects of the CAZ

As the number of Clean Air Zones increases, we agree with the suggestion that operators should not be charged for travel into or through two separate CAZs in one day as the vehicle would spend the majority of its journey outside a CAZ. Daily charges should only occur once and not per separate CAZ.

Operators or vehicle owners will likely to be expected to pay without prompting (similar to Dartford Crossing) with planned escalation for non-payment. This may impact heavily on occasional visitors who may not be aware of the zone and do not pay as a result of lack of awareness rather than deliberately. It would be more proportionate to issue a warning letter on the first instance of non-payment for that specific vehicle.

If major diversions are in place, there should be a procedure to suspend the CAZ for a day or a period of time if vehicles are forced into the CAZ without deliberate intention.

Major bus operators operating a significant number of trips into the CAZ are working towards compliance however there may be occasions where a compliant vehicle is not available in the event of breakdown or operational issues. A margin of error is suggested to ensure operators who are generally compliant, have the ability to ensure services are delivered during challenging operating conditions.

A daily charge for non-compliant vehicles making a minimum number of entries into the zone per annum may be one way of offering this flexibility, even for a temporary sunset period.

It is suggested any surplus revenue from the CAZ, should be used towards public transport initiatives rather than wider environmental spending. This could include increased bus priority, improved traffic light phasing, coach parking provision and modal shift initiatives.

Wider Measures

Market forces and the concept of pricing to drive behaviours must also be appreciated and its logic applied. For example the current lack of modern vehicle age limits and emission standards on taxi/private hire vehicles has led to the offering of very low headline fares which compete with and undermine the public transport network of tram, rail and buses. It cannot be right that a single occupancy taxi is cheaper than using public transport. This just further compounds both congestion and air quality issues.

Car parking costs within local authority remit should be considered. Car parks are typically too cheap and encourage people to drive into Sheffield City Centre. Whilst Sheffield City Council have not included cars in their proposals other measures such as a work place car park levy (as adopted by Nottingham) a review into increased park and ride provision could offer other solutions. Operators would keen to discuss with the Local Authorities, funding for individuals to use public transport and also believe that a scrappage allowance for older cars could be introduced and come in the form of public transport ticketing.

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