



House of Commons
Transport Committee

Mobility as a Service: Government Response to the Committee's Eighth Report

**Eighth Special Report of Session
2017–19**

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Transport Committee

The Transport Committee is appointed by the House of Commons to examine the expenditure, administration, and policy of the Department for Transport and its associated public bodies.

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Committee reports are published on the Committee's website at www.parliament.uk/transcom and in print by Order of the House.

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Committee staff

The current staff of the Committee are Gordon Clarke (Committee Clerk), Ed Faulkner (Second Clerk), Louise Butcher (Senior Committee Specialist), Nerys Davies (Committee Specialist), Deborah Courtney (Senior Committee Assistant), Michelle Owens, (Committee Assistant), Estelle Currie (Senior Media Officer) and Oliver Florence (Media Officer).

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Eighth Special Report

The Transport Committee published its Eighth Report of Session 2017–19, [Mobility as a Service](#), as HC 590, on 19 December 2018. The Government response was received on 18 February 2019.

The Committee's recommendations are in bold text, followed by the response from the Government.

Appendix: Government Response

The Government thanks the Select Committee for its report on Mobility as a Service (MaaS). We are on the cusp of a profound change in how we move people, goods, and services around our towns, cities, and countryside. This is driven by innovation in engineering, technology, and new business models such as MaaS. MaaS poses an important opportunity and challenge for the Government, as it has the potential to deliver more sustainable transport, improve UK productivity, enhance journey experience, and help enable greater social inclusion. This is one of the reasons why the Government has identified the Future of Mobility as one of four Grand Challenges in the Industrial Strategy.

Precisely what MaaS is, and how it should manifest remains a point of debate. Realising a MaaS-based transport system will rely on large-scale technological, cultural, and market changes. This may prove difficult to achieve, and MaaS business models also present potential risks which will need to be managed. Nonetheless, the Department is keen to pursue the benefits of MaaS-based systems, such as better integration of services, access to reliable real-time information and frictionless digital payment mechanisms.

The Department is keen to work closely with companies and local authorities who are experiencing the development of new business models first-hand. This will help the Department understand and shape the development of MaaS platforms and ensure that the Department's goals are met. The Department is keen to be one of the best places in the world for businesses to innovate in transport. This is why the Department is funding trials across the UK to understand the impact of MaaS systems, the role of local authorities in developing these technologies, and public attitudes towards such models. These new business models will rely on open data and making use of smart phone technology, and the Department has developed work programmes to address these issues.

The Committee identified three broad tasks for the Department: to provide leadership; provide practical support for the development of MaaS, and to review and update the regulatory framework for MaaS. The Committee made a number of specific recommendations to guide the Department to undertake these tasks, which we now consider in detail.

Recommendation 1: We recommend the Government take a more active and direct role in shaping MaaS to ensure it develops in a way that supports Government strategies and policies, and that the benefits to society are realised to the greatest extent possible. The Government must explicitly incorporate the development of MaaS into its relevant policies and strategies, including: promotion and development of electric and connected and autonomous vehicles; its Clean Air Strategy; the Cycling and Walking Investment

Strategy; and the Industrial Strategy Grand Challenge, which in part will involve an update of the Future of Urban Mobility strategy. We expect to see MaaS feature in that strategy when it is updated. (Paragraph 30)

Recommendation 2: *The Department should also set out, in its response to this Report, how it is working with other Departments, such as the Department for Health and Social Care and the Department for Business, Energy and Industrial Strategy, to ensure MaaS is considered in the development of strategy and policy and that MaaS evolves in ways that support the delivery of key Government policies. (Paragraph 31)*

MaaS has the potential to contribute to delivering the benefits of many of our existing and emerging strategies and policies. At the heart of MaaS is the desire to improve the consumer transport offer through better integration of services, improved access to reliable real-time information, and provision of frictionless digital payment mechanisms. At the same time, the Department is keen to understand any risks for wider policy as MaaS develops, to avoid unintentional negative consequences. The Department has looked at, and continues to look at, MaaS across the Department and more widely across other relevant Government departments, feeding into relevant strategies and policies.

Examples of how we have, and will, work with Departmental policy and strategies include:

- In early 2019, the Department for Transport will publish a Future of Urban Mobility Strategy informed by the emergence of automation, clean energy and new business models. Our urban transport system is set to meet fundamental changes in coming years. The impact of these changes, how different technologies will interact, and the response of users is uncertain. The Future of Urban Mobility Strategy will outline our approach to fostering innovation in mobility in the UK while ensuring emerging technologies and trends, including MaaS, develop in line with our priorities.
- The Department is conducting research and analysis to bridge gaps in the evidence base surrounding the Future of Mobility. This is focussing on a range of research areas relevant to MaaS, such as vehicle ownership; market structures; public reaction to new services; vehicle-sharing; and, wider socio-economic trends.
- The Cycling and Walking Investment Strategy (CWIS), published in 2017, identified £1.2 billion of funding available for cycling and walking projects over the period 2016–21. Since then, additional funding streams have been made available, including the £2.5 billion Transforming Cities Fund, £220 million through the Clean Air Fund and £5 billion through the Housing Infrastructure Fund. As a result, almost £2bn of funding is now projected to be invested over this parliament. We recognise the potential of MaaS to support the aims and objectives of the CWIS through measures such as bike share and will consider how to further support such measures in the development of CWIS2 (the update to the CWIS).
- The Road to Zero Strategy, published in July 2018, sets out Government's plans to support the transition to zero emission road transport. The Government's mission is for the UK to be at the forefront of the design and manufacturing of zero emission vehicles, and for all new cars and vans to be effectively zero

emission by 2040. The way we travel, and changes to vehicle ownership in the coming years will affect the trajectory of ultra-low emission vehicle uptake, the infrastructure these vehicles will need, and the emissions from conventional vehicles. We will monitor developments in MaaS and consider their impact on our strategic approach to support the transition to clean road vehicles, including when we review progress towards our ambitions in 2025.

- The development of self-driving vehicles is one area where we have already begun to integrate Mobility as a Service in to the Centre for Connected and Autonomous Vehicles programme of work. The Committee noted in their report that the Centre for Connected and Autonomous Vehicles has funded trials which have looked at ride-sharing and integrating automated vehicles into multi-modal journeys, for example, the MERGE project in Greenwich. Further trials have been funded through a recent funding programme announced in November 2018, which will see public trials of taxi and bus services in London and Edinburgh. We are also beginning to look at how the regulatory framework for automated vehicles can be developed in a way that enables the uptake of automated vehicles within a passenger service model. In addition, the Law Commission is currently undertaking a three-year review into the regulatory framework for the deployment of Automated Vehicles. The next part of the Law Commissions' review will look specifically at integrating automated vehicles within a Mobility as a Service platform.
- The Inclusive Transport Strategy (ITS), published in July 2018, highlighted that emerging technologies – including MaaS – have the potential to change the way disabled people travel. Within the ITS the Department made clear that the design of new services should include dialogue with disabled people, thereby ensuring that inclusivity is built in from the outset.

Examples of how we have, and will look to work with wider government strategies and policies include:

- The Clean Air Strategy, published in January 2019, states that the Government is committed to cutting air pollution from all forms of transport. This includes through encouraging public and active transport. As the evidence base on Mobility as a Service grows, the Department for Transport will continue to work with the Joint Air Quality Unit, Defra, and Public Health England to ensure that MaaS develops in a way that contributes to our air quality ambitions.
- The Government Office for Science (GO Science) published a Foresight Report on MaaS in December 2018, focussed on the implications of the changes needed for MaaS business models to emerge. GO Science have recently published a similar report on the Future of Mobility. We will work with GO Science to understand the implications of the recommendations for the development of MaaS.
- We will work with the Ministry for Housing, Communities, and Local Government (MHCLG) and the National Infrastructure Commission to consider the two-way relationship between new business models such as MaaS and the built environment.

- We are currently undertaking research to understand how the capabilities of older people are changing as they age, and the implications that these changes may have on their needs for mobility and the design of transport systems to support them. As part of this programme we are looking at the potential of driver assistance technologies and mobility services (such as ride sharing) for improving the mobility of older people. We will share these findings with other relevant government departments, such as the Department for Health and Social Care and Department for Culture, Media and Sport, and engage with them to explore how these could feed into wider government programmes, such as the Ageing Grand Challenge and Loneliness Strategy.

Recommendation 3: *We recommend the Department for Transport help to support a much more varied “test and learn” approach to the implementation of MaaS. We recommend, before the end of 2018, the Department’s interdepartmental group, which has been set-up to work on MaaS, should collect data and information on a diverse range of MaaS projects and develop a means for sharing best practice between local and regional authorities and MaaS platform providers. We recommend that the Government should focus on facilitating the development of an overall approach to MaaS that tests both the potential benefits and mitigations against unintended negative consequences that have been highlighted in this report. (Paragraph 54)*

The Department continues to compile and discuss the emerging evidence base for MaaS with a range of stakeholders, and to learn from existing trials.

At Budget last year, £90m funding for ‘Future Mobility Zones’ was announced and will be used to trial a number of future mobility measures in up to three cities. Funding will target improved service integration, payment mechanisms and mobility data as well as trials of new modes and business models. This will enable a variety of MaaS approaches to be tested. Further detail on the fund will be announced in early 2019. The Department will work with local authorities to examine findings from trials to understand what factors enable benefits to users (for example, moving greater number of journeys towards active or public transport), and to understand how potential risks can be mitigated (for example, reducing social exclusion).

We have and will continue to share best practice with local authorities. For example, the Department has provided £5m for over 30 “test and learn” local authority projects which deliver innovation in traffic technology and data management. The Department has established four user groups, around key themes from the projects, and these groups have disseminated their experience to our annual Traffic and Technology Conference. This model has been successful in sharing issues, successes and failures and in building a community amongst these projects.

The Department will continue to monitor progress of these trials and developments and will actively seek to identify knowledge gaps as these emerge.

Recommendation 4: *We recommend that the Government more clearly outlines its support for MaaS pilots in its budget, estimates and departmental plans. We recommend that the Government take steps to identify how much additional funding will be needed to effectively support and test a broad range of pilots in line with our earlier conclusions. In doing so, the Government should assess the suitability of current funding arrangements,*

such as the Transforming Cities budget, for supporting MaaS pilots and the extent to which the framework to support innovation encourages companies and others to invest in the piloting and development of MaaS. In reviewing funding arrangements, the Government should consult as wide a range of stakeholders as possible. The Government should investigate how it might secure the necessary funding, including if necessary redirecting funding from other projects linked to its Future of Mobility strategy, for the development of MaaS in the UK. (Paragraph 66)

We agree with the Committee that it is important to test MaaS across multiple modes and across a range of areas. The focus should be to understand how these platforms can be supported and delivered to bring a range of benefits to everyone across the UK. This is why Future Mobility Zone funding – which will invest in new modes and mobility business models, focusing on better service integration, data and payment mechanisms – will be made available through a competitive process to all eligible for the Transforming Cities Fund. As such, a range of mayoral and non-mayoral cities will be able to apply. We also note that this funding is not restricted to any one transport mode, therefore we will support a range of transport options.

The Future of Mobility Grand Challenge is not just about urban areas. The scope of the Missions development and the regulatory review is not limited by geography and going forward we will explore how rural areas will benefit from innovation in transport through a future of rural mobility strategy.

We will continue to review funding provided through the Future of Mobility Grand Challenge as the knowledge base is developed, and will do so in consultation with stakeholders.

Recommendation 5: *We recommend that the Government works with local authorities towards a “no data, no service” policy that would require all transport operators to share data if they want to provide a service in a given area. While such a policy must be implemented to promote innovation and growth of the MaaS market it will also bring other benefits and has merit on its own. In developing this policy, the Government must ensure that it does not favour any single actor over another, and that smaller transport operators are provided with appropriate support to ensure they are not driven out of the market by the implementation of such a policy. (Paragraph 81)*

We recognise the importance of access to data from transport operators for MaaS platforms to develop. We have a programme of work underway to open up data across modes, working with a variety of stakeholders. Our recent and planned activities include:

- The Bus Services Act 2017 includes powers for Local Authorities to make regulations regarding the release of data on routes, timetables, real-time information and fares. The regulations are due to be laid in Summer 2019 and commenced in early 2020 with a new digital service to enable operators to publish their data launched later this year.
- The Joint Rail Open Data Action Plan was published in August 2018. This marked the Government's and the rail industry's commitment to putting data at the heart of future rail innovation. The plan describes a series of tasks and projects that will be taken forward by the Government, the rail industry, and the regulatory body working together to ensure that strong foundations are in

place and any barriers are removed to improve the quality and openness of rail data. These initiatives will in turn improve the passenger experience through the development of innovative rail services underpinned by data.

- In December 2018 the Government published the Rail Sector Deal setting out a new approach to the rail industry and Government working in partnership to transform the rail sector. This includes a focus on building the capability for the rail industry to share its data widely across transport modes to greatly enhance passenger experience and door-to-door travel.
- A Local Data Action Plan to improve the availability of local transport data by local authorities and others was completed in 2018. Actions from the Plan include development of guidance for local authorities to open data, a review of the process by which Traffic Regulation Orders (TROs) are made and how TRO data could be made available and used across the country, and a competition to fund local authority open transport data initiatives.
- We are currently completing a feasibility study for a Local Authority Mobility Platform (LAMP). This would provide local authorities with a framework for standards and operational procedures to follow in order to procure new mobility services.

The above programmes, and other data work streams, are overseen by the Department's Data Board, chaired by the Department's Chief Analyst. A new central data team has been established to provide technical support to policy teams and help build further data capability in the Department. This new team will be working with the transport sector to develop a transport data strategy.

Through this approach, we are enabling the opening up of the relevant data in a way that is sensitive to the potential risks of opening up these data sources, such as privacy and security of data. As identified above, the Department is keen to build local authority capacity and capability in all areas of the Future of Mobility, including MaaS. We will be engaging with local authorities to identify capacity and capability strengths and weaknesses, with a view to joint action to strengthen capacity and embed best practice in relation to data.

In addition, the need for further regulation to improve the openness of transport data is being considered as part of the Industrial Strategy's Future of Mobility Grand Challenge. We are now considering next steps on this issue and working to define the scope of a Regulatory Review looking at how the UK can take full advantage of this and other enablers of innovation in transport. The scope of the review will be set out later this year alongside the Future of Urban Mobility Strategy.

Recommendation 6: *It is essential that existing regulations on transport, data protection, and consumer protection are updated to take account of MaaS. The Government should bring forward the necessary legislative proposals as soon as it has reviewed the adequacy of existing regulation. We recommend by the middle of next year the Government should have developed a plan for how it will update existing guidance, codes of practice and current regulations to take account of MaaS. On those aspects of MaaS not covered by an existing framework the Government should work with MaaS stakeholders to develop a code of conduct that sets out roles, responsibilities and expectations for those involved*

in MaaS schemes. The Government should ensure any code includes consideration of the means by which it will be enforced. The Government should demonstrate its willingness to regulate where a code of conduct proves to be inadequate. (Paragraph 91)

Recommendation 7: *We recommend the Government commissions research on MaaS users' rights and safety. The Government should also investigate what steps it needs to take to ensure there is fair market competition and that users' financial interests are protected. This should be done as part of the thorough legislative and regulatory review the Department has said it will conduct in connection with the Future of Mobility Industrial Strategy. (Paragraph 102)*

The Government recognises the importance of consumer protection and safety, and the need to review existing regulations in relation to MaaS.

As part of the Future of Mobility Grand Challenge, we have committed to undertaking a thorough regulatory review of all relevant legislation to ensure that the UK has one of the most open and enabling environments for new mobility services whilst being able to anticipate potential negative impact of unregulated disrupters in transport.

The scope of this regulatory review will be informed by the responses to the Future of Mobility Call for Evidence, which closed on 10 September 2018. We are currently analysing these responses, many of which addressed areas relating to MaaS, and will be announcing further details of the regulatory review alongside the Future of Urban Mobility Strategy.