



The UK Government's Future of Urban Mobility Strategy

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A significant strategy for urban transport

On 19 March 2019 the UK Government published its long-awaited strategy on urban mobility. The strategy, entitled “Future of Mobility: Urban Strategy”, includes a range of measures that will shape how urban mobility develops in the UK over the next decade. **This briefing examines the key developments announced in the strategy, the next steps, and how companies can participate in and influence the delivery of the strategy.**

This strategy, which we will refer to as the “Urban Mobility Strategy”, forms part of the Government’s broader Industrial Strategy and, in particular, seeks to address one of the four ‘Grand Challenges’ that the Government has identified. These challenges pertain to fundamental shifts in the way that we live, work, and travel, which the Government wants the UK to harness in order to cement its leading position in the global economy. The Future of Mobility is one of these Grand Challenges and this strategy on urban mobility forms an important part of the Government’s policy the future of mobility.

WHAT IS A GOVERNMENT STRATEGY?

One ought not to be too drawn in by the word ‘strategy’. The Urban Mobility Strategy is not be a comprehensive set of forthcoming policy proposals, nor does it present a concrete legislative agenda.

Rather, the strategy document pulls together a wide range of policy initiatives connected to urban mobility and sets out how these fit together. It goes on to outline a series of actions over the course of 2019 and beyond which will seek to address the policy challenges of urban mobility.

In the short-term the Government will launch a Regulatory Review looking at four areas:

- mobility-as-a-service (MaaS)
- micromobility
- data sharing
- taxis, private hire vehicles (PHVs) and on-demand buses

Looking further into the future, the Government will assess a number of things, including how urban design reflects transport trends, the skills requirements of local authorities to manage urban mobility and whether to oblige buildings to install EV charging points.

Government strategy documents mark the beginning, rather than the end, of a policy process. They are **a chance for businesses to engage with the Government on issues that will affect their operating models and to make their voices heard during the policymaking process.** The Urban Mobility Strategy presents innovative mobility businesses with just such an opportunity.

Principles behind the strategy

In a [speech](#) dated to 1 February Jesse Norman, the Transport Minister, said that “transport is not, and has never been, just about transport. It’s about better connected cities, and better housing. It’s about rural areas and rural connectivity. It’s about loneliness, more inclusive communities and more productive businesses. It’s about society and culture.”

The Urban Mobility Strategy reflects this sentiment through its nine principles (see box). These principles seek to allow the UK to take advantage of innovation whilst avoiding the possible negative consequences of such innovation, such as increased congestion, pollution, or the creation of monopolies.

The main immediate outcome of the strategy will be the Regulatory Review into the four key areas mentioned above. It is likely that each of these four areas will give rise to consultations on more detailed proposals, in particular:

- the future regulatory framework for micromobility (such as e-scooters)
- legislative changes to taxi and PHV licensing regulations
- new regulations, guidelines or standards on data sharing between transport providers, local authorities and MaaS providers

We may also see a review or other publication on the application of competition law to MaaS to prevent monopolies or silos becoming established.

Below we have laid out both the key cross-cutting developments or urban mobility providers and initiatives for specific sectors within the urban mobility space.

THE GOVERNMENT’S 9 PRINCIPLES

1. New modes of transport and new mobility services must be safe and secure by design.
2. The benefits of innovation in mobility must be available to all parts of the UK and all segments of society.
3. Walking, cycling and active travel must remain the best options for short urban journeys.
4. Mass transit must remain fundamental to an efficient transport system.
5. New mobility services must lead the transition to zero emissions.
6. Mobility innovation must help to reduce congestion through more efficient use of limited road space, for example through sharing rides, increasing occupancy or consolidating freight.
7. The marketplace for mobility must be open to stimulate innovation and give the best deal to consumers.
8. New mobility services must be designed to operate as part of an integrated transport system combining public, private and multiple modes for transport users.
9. Data from new mobility services must be shared where appropriate to improve choice and the operation of the transport system.

Cross-cutting themes

There are a number of cross-cutting themes in the strategy which will apply to almost all operators in the urban transport space. We have laid them out below in more detail.

DATA SHARING

The Government has dedicated a whole part of its Regulatory Review to opening up and sharing more transport data. In particular, it stresses that it is often difficult for cities to obtain good quality data from private sector providers.

Consequently, the Review will consider **what role there may be for regulation, or other incentive mechanisms, to support transport data sharing**. The House of Commons Transport Select Committee suggested in its [report on Mobility as a Service](#) that local authorities adopt a “no data, no service” approach when licensing private sector providers. Whether this would meet the Government’s definition of an “incentive mechanism” remains to be seen.

The Review will also consider **the need for new standards and formats for collating and sharing transport data**. The bottom line here is that, across all sectors, any company providing a transport service might find itself obliged to share its data, or revise how it is stored, moving forward.

INTEGRATED TRANSPORT

At the heart of policy discussions on urban mobility is the balance between public transport, private transport and various forms of shared transport. The strategy makes clear the Government’s preference for public and shared transport over private transport in the urban context given the

need to address congestion and pollution issues.

Ultimately the Government is of the view that mass public transport and shared private transport represent a much more efficient use of road space and other resources than private transport. In another recent speech, Transport Minister Jesse Norman described a world in which individual private autonomous pods created gridlock as they circulated around a city to avoid parking charges.

The Government is seeking to improve its understanding of what motivates people to use shared transport and hopes that effective MaaS solutions can incentivise the use of public transport. **The strategy emphasises the need for new modes of transport, such as micromobility, to integrate into the public transport system.**

REDUCING CONGESTION AND POLLUTION

The strategy stated that all mobility innovation must help to reduce congestion through more efficient use of road space. This might happen through sharing rides, increasing occupancy, or consolidating freight.

As part of this, the Government is keen to support innovations which promote the more efficient movement of goods, particularly through the use of hubs on the edge of city centres, from which freight can be carried by smaller electric vehicles such as e-cargo bikes. **To support this the Government has a £2 million grant programme for e-cargo bikes.**

While there were not any new announcements in relation to reducing pollution, it remains a key theme running through all elements of transport policy and forms part of the motivation in relation to encouraging active mobility, shared mobility, micromobility, e-cargo bikes and the broader objective of getting all vehicles to be zero emission capable by 2050.

REGULATING FOR INNOVATION

The Government emphasises that the mobility marketplace must remain open in order to stimulate further innovation and ensure that consumers get a good deal. The Government is concerned about both market fragmentation which would make transport more difficult for consumer to navigate, and the emergence of oligopolies with excessive market power.

The Government's commitment to open transport data is a significant way it is seeking to keep the market open to new entrants and innovation. In addition, the strategy notes that **it may be necessary to review the competition law framework**, especially around Mobility as a Service.

Specific sector developments

MOBILITY-AS-A-SERVICE

No specific legislative framework for Mobility as a Service (MaaS) currently exists in the UK. MaaS apps are currently being trialled in Manchester and Birmingham, and the results of those experiments may inform any future regulations. However, the development of MaaS is seen by the Government as a critical part of the

DEVOLVED DECISION MAKING

The final cross-cutting aspect of the strategy which is worth highlighting is the Government's desire to support local authorities in trialling new forms of mobility in order to identify what works best for their area. The Government plans to identify and address any capabilities gap that may exist within local authorities in terms of their ability to support new forms of mobility. The Government is also keen to see local authorities adopt "Local Industrial Strategies" as part of their implementation plans.

In 2019 the Government will be launching up to four Future Mobility Zones, which are areas in which new mobility services, modes, and models can be tested. The idea behind the zones is that they can produce a template that can be exported elsewhere. Micromobility in particular is an area in which local testing may be carried out extensively.

The Government had already announced a £90 million fund to support these zones and announced that **the West Midlands would receive £20 million as the first of the Future Mobility Zones**.

development of urban mobility, hence its place as one of the four key sectors covered by the Government's Regulatory Review.

REGULATION TO ENSURE DATA IS SHARED AND INTEROPERABLE

The biggest issue facing MaaS identified in the strategy is that it requires the interoperability of data from multiple operators and service providers. As part of

the Regulatory Review the Government will **examine existing and planned regulatory tools to assist in the opening up of this data to facilitate the “socially optimal operation” of MaaS platforms.** It has also committed to reviewing whether new standards and formats for collating and sharing transport data are needed, as well as establishing a data sharing framework for transport companies.

In this context, “socially optimal” refers to the Government’s desire to avoid the emergence of monopolies, as well as to ensure that MaaS services are available across the geographic and income spectrum in urban areas.

New regulatory powers could include requirements that mobility operators share timetable, live tracking and ticketing data with each other and MaaS platforms. The Government notes that it will seek to regulate new forms of mobility as they emerge with MaaS in mind.

POTENTIAL APPLICATION OF COMPETITION LAW

In a softly worded, but potentially hard-hitting, section of the strategy the Government states that it will “investigate the case for the Government to do more to shape the way MaaS platforms emerge”. It is clear that **the Government is particularly concerned about the potential for MaaS platforms to develop into monopolies**, in the way that platforms in other parts of the digital economy have tended to do.

The Government will review the need for competition regulation with respect to MaaS and this may form part of the work by competition regulators in response to the Furman Review on competition in digital markets, published earlier in March.

MICROMOBILITY

Electric scooters, which have been introduced throughout much of Europe and North America, are currently not legal to use on public roads in the UK. Although a trial has taken place on private land in the Olympic Park in Stratford, East London, shared e-scooters have remained conspicuous by their absence in the UK’s major cities.

NEW REGULATORY FRAMEWORK

This strategy indicates the Government’s desire to introduce a regulatory framework for electric scooters and other forms of “micromobility.” The Government’s Regulatory Review will consider options for how to classify electric scooters and similar vehicles, and it will seek to enable trials of future vehicles (whatever their categorisation) without the need to change legislation each time.

In the short-term the **Government will issue a consultation on options for enabling micromobility.** The consultation will consider:

- how to categorise micromobility devices
- how to test and run trials for micromobility
- safety elements of design and operation
- a code of practice for shared micromobility schemes

In the longer term the Government will consider how traffic regulations and street design might have to evolve to accommodate new vehicles and new ways of using roads.

DATA AND INTEGRATION INTO MAAS

As noted above, micromobility operators are likely to be included within the scope of any decisions taken on data sharing between operators, transport authorities and MaaS providers.

BIKES AND E-BIKES

Shared bikes have proven popular in the UK, with large Chinese bike sharing companies like Ofo and Mobike launching, following the development of city-led schemes such as London's Santander Cycle Hire. Shared e-bikes are just beginning to appear in the UK. To remain unregulated like a normal bike, e-bikes are limited in terms of systems of control (they must be pedal-assist rather than twist-throttles) and power of their motors.

As such, there has been little pressure to change rules on e-bikes, although the Government are keen to see more deliveries made using e-cargo bikes as a greener alternative to delivery vans and one that does not contribute as much to congestion.

As a subset of micromobility, bikes and e-bikes would be considered as part of the new regulatory framework mentioned above.

Consideration for the Government could include whether e-bikes or their riders should have mandatory safety equipment (such as riders needing to wear helmets). There may also be discussions around the dividing line between e-bikes and e-mopeds.

Shared bike and e-bike schemes would likely be subject to any code of practice on shared micromobility.

DATA AND INTEGRATION INTO MAAS

Bike sharing schemes, like all other mobility operators, will be expected to cooperate with any ongoing data sharing initiatives.

RIDE-SHARING AND ON-DEMAND BUSES

The advent of large private hire vehicles (PHVs) operating as shared ride hailing services with dynamic routing in order to pick-up multiple passengers is blurring the lines between a private hire vehicle and a

bus. The legal distinction is based on the number of seats, meaning that a PHV with nine seats or fewer requires the driver and operator to have a different licence than the driver and operator of a vehicle with 10 or more seats, which is classed as a public service vehicle (PSV). While there are currently "on-demand buses" being trialled in a few cities, the Government has said that it will examine the distinction between PHV and PSV licensing.

This will form part of the Regulatory Review with **the Government focusing on the legislation covering flexible bus services, with a view to ensuring that "dynamic demand-responsive services" are allowed "to operate at the maximum of their potential"**.

According to the Government's own definition, dynamic demand-responsive services are those which can adjust routes in real time to accommodate pickup requests made minutes in advance.

The Government is keen to ensure via this process that flexible bus services can be deployed in a variety of geographic environments, including those which are "commercially challenging".

RIDE SHARING

From the perspective of ride sharing, which the Government also defines as "carpooling" (i.e. non-professional drivers being matched with people travelling along similar routes), the Government has not announced too much in the way of revised regulatory framework. However, it is worth noting that the Government has pledged to undertake research into the factors that influence the uptake of ride sharing, as well as vehicle sharing.

TAXIS AND PRIVATE HIRE

The regulatory regime for taxis and private hire vehicles (PHVs) predates the rise of ride hailing companies. In 2018 the Government

commissioned an independent expert panel (the Task and Finish Group) to look at the future of taxi and ride hailing regulation. The panel's report was published in September and [the Government's response](#) to it was published in January 2019. In the response the Government committed itself to national minimum standards for driver licensing, national enforcement powers for local authority staff, and a national licensing database. You can see Inline's breakdown of the Government response [here](#).

The Urban Mobility Strategy does not make any further announcements on taxi and private hire services, having set out its broad legislative intentions in response to the Task and Finish Group Report. Changes to legislation will form part of the Regulatory Review and we can expect to see further consultations on the specific changes over the coming months.

ELECTRIC VEHICLES

Electric vehicles have been the subject of both legislation and their own Government strategy document in recent times. The Automated and Electric Vehicles Bill gives Government the power to mandate the installation of charging points in certain public places (such as petrol stations) and also to mandate that those charging points are "smart" (so that they can integrate with the power grid) and fully compatible with all vehicle types. In 2018 the Government also published its Road to Zero Strategy, which outlines investment priorities and how it will achieve its carbon reduction targets.

As such, electric vehicles are considered by the Government to already be under regulatory review, alongside autonomous vehicles, maritime autonomy, and drones. The Government uses the Urban Mobility Strategy to outline its priorities in this area for 2019. Of note, the Government will launch its previously announced £400 million Charging Infrastructure Investment

Fund which seeks to catalyse the rollout of public charging infrastructure.

Despite the relative maturity of the electric vehicle policy, there are still a number of relevant developments for businesses in the sector. The Government has announced that it will **consult on smart requirements for electric car charging**, which utilises a reserved power in the Automated and Electric Vehicles Bill 2018. As previously announced, the Government will also consult on **whether building regulations should be changed so that every new home has a charging point**.

AUTONOMOUS VEHICLES

As with electric vehicles, the Urban Mobility Strategy outlined a substantial amount of work already underway in the area of autonomous vehicles. 2018's Automated and Electric Vehicles Bill defined which party is responsible from an insurance perspective in the event of a crash involving one or more autonomous vehicles. Currently, the Law Commission is undertaking a review into what legal changes will be required by the shift to autonomous vehicles. At the same time, a number of trials are also ongoing, including in London and Milton Keynes.

The strategy outlined the Government's priorities for 2019 in autonomous vehicles, which include:

- Continuing to support research and demonstration projects
- Work with Meridian to develop the connected/autonomous vehicle testbed
- Work to establish procedures to demonstrate the safety of more advanced trials of self-driving vehicles
- The Law Commission's review into the legal framework for the deployment of autonomous vehicles will enter its next phase, focussing on the use of automated vehicles as part of modern public transport networks and on-demand passenger services.

What happens next?

As set out above there are a number of areas where the Government will now be launching further reviews and consultations. The creation of a new regulatory framework for micromobility and on-demand buses are significant for those sub-sectors, but the Government's approach to data sharing and Mobility-as-a-Service has the potential to affect everyone involved in urban mobility – both private and public sector.

The Urban Mobility Strategy presents businesses with an important opportunity to

engage with the Government and shape the new regulatory frameworks that will emerge.

At Inline Policy we help tech businesses understand and influence Government policy. If you have any questions about what you have read, or if you would like to start a discussion about how Inline could help your business to navigate policy and regulation, please get in touch at www.inlinepolicy.com.

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David is a public affairs and strategic communications specialist and a self-confessed technology and regulatory geek. He has worked at the intersection of technology, politics and regulation throughout his career. He has advised leading brands such as HP and Orange on their UK and EU political and regulatory strategies and has a track record of achieving policy changes that deliver real benefit to the bottom line for businesses.

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Matthew joined Inline as he believes that emerging technologies will transform society at the most fundamental level. He has developed an extensive knowledge of urban mobility policy and writes weekly commercial and regulatory newsletter covering on-demand transport and autonomous vehicles.

Matthew also has particular experience of working with companies in the sharing economy in transport and other sectors.

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