

Executive Summary

Coach travel plays a unique and underappreciated role in the UK economy and environment. While tourism is the most preeminent example, the coach industry plays a significant role in wider economic activity. School travel and emergency rail replacement are just two examples where, without the coach industry, significantly more car journeys would be made, and productivity would be reduced.

The coach industry has received little support from Government coming out of the pandemic, and despite the distinct role it plays. Policymakers often conflate the needs of coaches with buses when they operate completely differently in practice.

We are calling on the government to support the coach industry by:

- Bringing industry focus on developing the zero-emission fuel for coaches and produce a roadmap so businesses can have certainty moving into the future.
- Introducing a Skills Bootcamp course to cover Category D licences and consider lowering the age at which a person can earn their Cat D licence.
- Ensure that infrastructure for coaches is built into development plans in our cities, on the roads and at the borders, to ensure coaches remain a viable option for travel.
- The Government must publish its much-delayed Low Carbon Fuels Strategy as soon as possible to address these issues and give industry the confidence it needs to invest.
- Open access to airports for coach and bus operators should be a specific requirement to increase the modal shift to both bus and coach.

Overview of the coach industry

The coach industry is a dynamic, competitive sector providing essential passenger transport services for a wide range of organisations and companies across the UK.

The coach plays a vital role in carrying millions of visitors to destinations and attractions as well as essential trips including school transport and rail replacement services. There are around 3,000 coach operators in the UK, directly employing approximately 42,000 people and contributing £14 billion to the UK economy. The contribution to the UK economy through coach tourism alone is over £6 billion. Coach tourism is a significant market and for many, the most important element to building a buoyant local tourism economy and making visitor attractions into successful businesses.

In addition to this economic contribution, coach operators transport 600,000 pupils to schools every day across the UK. They also play a significant role in moving people around the country for large cultural events such as music festivals and sporting events.

What the coach industry needs

We have set out below six key areas where the coach industry needs the support of local and national Governments. Further detail on key policy areas is outlined in the paper.

2023 priority policy areas and aims

<i>RHA</i> <u>skills</u>	<i>RHA</i> <u>facilities</u>	<i>RHA</i> <u>environment</u>
Tackling the coach driver shortage and attracting younger people to the industry.	Ensuring adequate space and facilities for coaches on the road network and in our cities.	Recognising the distinct role of coaches and their specific needs on the road to net zero.
<i>RHA</i> <u>international</u>	<i>RHA</i> <u>costs & regulation</u>	<i>RHA</i> <u>infrastructure</u>
Removing obstacles to international coach travel both at the border and on the roads.	Making it easier for coach businesses to do business through lower costs and simpler regulation.	Encouraging investment in roads, new technology and connectivity to keep people moving and support tourism.

Post-Covid recovery: from adversity towards triumph

The pandemic had a severe impact on the coach industry. Coach operators experienced a wave of cancellations with dozens of tours cancelled and millions in lost turnover with tourism and travel severely impacted and a reduction in private hire bookings for social, corporate and sporting events. Despite this, the industry has made great strides towards recovery with strong demand and resilience from the small businesses who make up the industry.

Against global economic headwinds, the recovery remains fragile and significant challenges remain. Inbound tourism will still be significantly below pre-Covid levels until tourists across the globe have been safely vaccinated.

We will campaign for local and national Governments to promote the positive benefits that coaches bring to our society and economy. During the pandemic, Government messaging to avoid public transport damaged public confidence in using buses and coaches. Financial support has been given to encourage bus use, but no equivalent support has been offered to coach operators who face similar issues.

Governments across the UK should therefore consider a bespoke financial support package which supports the long-term viability of the industry and recognises the significant part it has to play in providing sustainable transport for the public in the future. This should include a green fund to allow investment in more environmentally friendly vehicles, and better infrastructure provision as well as tax breaks on investments.

Skills: building a workforce for the future

The coach and bus industry has an estimated shortage of between 5,000-10,000 drivers. Before the pandemic the industry was experiencing serious difficulty in sourcing and maintaining a stable base of drivers so it is beyond doubt that this is an issue which will only have worsened since the start of 2020. A lack of drivers has restricted growth, and businesses are now often scaled by the number of drivers that they can attract. This presents a significant challenge in the long term if it is not addressed.

- a lack of investment in drivers and driver training;
- poor roadside facilities for coaches and their drivers;
- poor terms and conditions;
- the relative attractiveness of other similar jobs
- the lack of an industry career entry route direct from education
- the lack of a progressive career structure within the industry.

We need a clear pathway from education into a career in coaches. Current age restrictions of 20 years limit the ability of companies to hire young people straight from school. We would like to see the introduction of lower age limits for drivers – accompanied by adequate safety and insurance support. To ensure standards and overcome any concerns over safety and the responsibility of younger drivers, such a reduction could be conditional on having followed a recognised entry training scheme, and candidates could be subject to a requirement for continued development and monitoring until they reach the age of 20.

The success of the Skills Bootcamp for HGV driving shows this type of flexible short course is effective in training drivers. We are asking the UK Government to bring in a Skills Bootcamp course focused on Category D licence acquisition to bring more coach drivers into the industry.

The industry also needs to be more proactive about introducing attractive employee benefit packages to generate interest. We have been working with our members and the government to ensure that the issues associated with the skills shortage are addressed, considering both the short-term and long-term benefits.

The need for flexible visa routes to address short term shortages should also be considered.

Environment

Air quality

Improving air quality is essential – however, as attention now focusses on how we achieve Net Zero, we ask that lessons are learned from the Clean Air Zone experience. In particular, when the Government has clear policy objectives for the majority of journeys to be made by either active travel or public transport, the environmental benefits derived from a coach should be seen in the same vein as public transport. A single coach can take up to one mile's worth of cars off the road.

We regret however that the Government has given an incoherent signal on these environmental benefits with regards to Clean Air Zones. Under the direction of central Government, local authorities have sought to address poor air quality through restricting vehicles access to urban centres through the implementation of clean air zones (CAZ), ultra-low emission zones (ULEZ) and zero emission zones (ZEZ).

The implementation of policies which restrict access to urban centres fundamentally misunderstands the role and nature of the coach industry. Firstly, a study by the Department of Transport (DfT), in partnership with the National Atmospheric Emissions Inventory (NAEI) found that coach travel has the least harmful environmental impact of any mode of transport, excluding active travel. For example, a single journey from London to Edinburgh in a standard coach results in an average 9.2 kg of CO2 emissions per passenger.

- Plane – 96.4kg
- Car – 71 kg
- Train – 11.9kg

By implementing schemes which restrict vehicle access based on class, it also fails to understand the life cycle of coaches and that coach operators are not able to upgrade their fleets overnight.

Whilst the government has given local authorities funding to support local businesses to make their vehicles compliant, this almost universally does not help coach operators. Firstly, many of the funds are simply too small to support coach operators to buy new vehicles or retrofit their existing fleet. The cost of a new coach is from £200,000 upwards, whereas the funding provided to local business to retrofit existing or compliant vehicles is ordinarily in the thousands or tens of thousands of pounds.

Additionally, coach operators rarely base themselves within urban centres but still require almost daily access into them. This makes them ineligible for any funding to support retrofitting or new vehicles. Lessons should be learned from this experience so that the environmental benefits of coaches are recognised and supported by Ministers as we move to achieve Net Zero goals.

The transition to net zero

We believe it is essential that an industry roadmap is developed to account for the lack of current alternative fuel options for coaches given their average 18-year life cycle. This would aim to mitigate the stranded asset issue by encouraging operators to invest in new cleaner or lower-carbon vehicles whilst not having to pay any Zero Emission Zone or other carbon charges during the period when operators still use vehicles that are less than 18 years old.

The detail which accompanies the roadmap is essential to support the decisions of businesses, authorities and people to achieve sustainable decarbonisation outcomes. It must:

- create the certainty needed so that coach operators can invest with confidence in options to decarbonise;
- reflect that the British public depend on coach vehicles existing in all geographic areas of the United Kingdom to meet all passenger transport needs (e.g. school, tourist, sport, rail replacement requirements);
- recognise that the market is best-placed to drive the innovation required to deliver decarbonisation;
- support the use of low carbon fuels as an interim step to drive down emissions and provide resilience in circumstances where zero emission solutions are not possible;
- assure the vital role SME businesses play by:
 - recognising how SMEs handle the many niche economic functions that enable customers to enjoy high levels of service;
 - upholding the residual values of all vehicles (diesel, low carbon and zero emission) to prevent “stranded assets”.

Done well, transport decarbonisation is achieved through natural vehicle replacement programmes at minimum cost to the taxpayer and includes SME businesses.

The Government must be fully apprised of the major obstacles to overcome in transitioning to alternatively fuelled vehicles – the predominant of which is around cost, provision of fuelling infrastructure and vehicle performance. The coach industry is in a precarious place as a consequence of Covid-19 and is not in a position to be investing in electric or alternatively fuelled vehicles. Vehicle supply is particularly challenging with significant lead time for new vehicles and a shortage of parts for older vehicles as manufacturers prioritise scarce supply chain resources towards later model vehicles and new vehicle production.

As part of its decarbonisation agenda, the government has already committed to ending the sale of new petrol and diesel cars by 2030, and new diesel HGVs below 26 tonnes from 2035 and above 26 tonnes from 2040.

In 2022, the Government consulted on phase-out dates for the sale of new diesel coaches but, at the time of writing, has yet to make a decision. To mirror the phase-out dates for vans, our proposal to Government has been as follows:

- less than 25 seats, new diesel sales stopped from 2030 & hybrids from 2035
- less than 35 seats, from 2035
- over 35 seats – 3 axle coaches, from 2040
- over 35 seats – 2 axle coaches, after 2040

We believe the development of zero emission HGVs will help inform the pathway for coaches and the public investment needed in the infrastructure to power these vehicles. In the meantime, we welcome the £200m investment by government in trials to test zero emission HGVs. We will seek to ensure that data which emerges reads across to the development of equivalent coaches. Coach technology generally follows that of HGVs. However, the progress made in zero emission buses is not readily transferrable to coaches. This is primarily due to buses being almost entirely back-to-base operations where the buses can be refuelled at the depot – however, like HGVs, coaches need the ability to refuel enroute.

We will continue to press the Government to support our sector’s ability to decarbonise now with low carbon fuels like HVO. These fuels are available options which, whilst not completely zero emission, can reduce emissions by up to 90%.

Nevertheless, we believe that appropriately regulated and sourced low carbon fuels have a legitimate role to decarbonise the coach fleet. Supported by a fuel rebate and other incentives linked to emissions reduction to increase uptake, they also provide resilience for situations where zero tailpipe solutions are not found beyond the 2035 and 2040 phase-out dates, or when prolonged power outages (e.g. Storm Arwen) prevent electric vehicles from re-charging.

The Government must publish its much-delayed Low Carbon Fuels Strategy as soon as possible to address these issues and give industry the confidence it needs to invest.

Accessibility of vehicles

We recognise that disabled people must be able to access coaches, and the Government has committed to review the Public Service Vehicle Accessibility Regulations 2000 (PSVAR) to achieve this. However, we observe that there is a fundamental flaw in the current legislation and that making all buses and coaches 100% accessible does not mean all journeys are 100% accessible – this is due to the lack of physical infrastructure being available at non-scheduled locations where a coach may be required to pick up a passenger (e.g. rural roads, remote locations).

To get round this anomaly, we strongly advocate a focus on the customer and their journey, and therefore support an approach where coach operators have a legal responsibility to provide the elements which allow a disabled person to complete a journey by coach. This would require operators having access to coaches that meet a particular need of a disabled person; however, there would be no requirement for all coaches to be 100% accessible.

We will promote the case for the law to be changed so that coach operators have a legal responsibility to provide the elements which allow a disabled person to complete a journey by coach.

There is also growing evidence that the lack of suitable coaches is driving a switch from use of coaches for home-to-school towards buses, solely to meet the requirement of PSVAR legislation.

We will also seek clarity from Government on safety measures required of buses versus coaches to ensure that the former does not benefit from an unfair competitive advantage.

We observe that buses are not required to be fitted with seatbelts and those without seatbelts are extremely difficult to retrofit. By contrast, coaches are subject to more rigorous safety measures including seatbelts, high back seats, and structural integrity measures. With lower safety standards and an abundant supply of later life vehicles, this means that buses increasingly have a competitive advantage over coaches – this disparity must be addressed.

International coach travel

With the introduction of the EU Entry Exit System as well as the European Travel Information and Authorisation System, there is uncertainty over the impact and disruption these systems may have on coach movements crossing borders.

The Entry/Exit System (EES) will require most travellers to share their facial image and fingerprints with European authorities as part of border checks. These checks will almost certainly extend the transit time through border controls and are likely to cause sustained delays and disruption and checks are expected to permanently slow the flow of UK vehicles and passengers to and from the EU. Coaches may be significantly impacted by this due to the numbers of passengers they typically carry and the longer transit times they already incur.

The European Travel Information and Authorisation System (ETIAS) will require most travellers to apply online for a travel authorisation prior to entering the EU. Under this system, UK citizens may lose their automatic right to travel to the EU. This will also mean that UK nationals working in the Schengen area without a work permit will be illegal (even if less than 90 days). The impact this could have on international coach operators must be carefully considered as the change is introduced.

The constraints of Interbus - the mechanism by which coach and bus operators based in the UK can run international services to EU Member States - are being felt by operators. For example, school trips using several coaches to the same destination cannot consolidate or interchange coaches after they leave the UK. This means several half empty coaches could travel to the same destination.



Infrastructure

Roads and urban access

Coach operators require almost daily access to urban centres for their main sources of revenue which are tourism, hospitality, and leisure. Access is also often required to transport hubs in urban centres to pick up and drop off passengers.

We are campaigning to ensure that sufficient good-quality parking facilities are available for coach drivers on our roads, at tourist destinations, attractions, on-road service areas, and major transport hubs.

We also want to ensure there is easy access to safe and good-quality lay-over parking facilities/motorway service areas (MSA) with toilet facilities for coach drivers and their passengers, together with adequate rest facilities in place for drivers to take their mandatory breaks. We would also encourage that MSA sites prioritise coaches, giving priority service to drivers to allow them to meet schedules and having parking areas more conveniently located for coach passengers to access services. This will all help to encourage greater use of coach travel.

Increased costs and restrictions for coach access to major transport hubs, in particular airports, is a significant issue. In particular, improving coach access to airports should be given greater priority by central government and local authorities. Access protocols to airports remain an issue with varied access and charging procedures in the hands of airport operators.

Open access to airports for coach and bus operators should be a specific requirement. This would open competition for services and increase the modal shift to both bus and coach. The cost of access and parking at airports often does not favour coach.

Transport planning is not always a key consideration for developments including tourist destinations, hotels and leisure facilities that will attract groups. Developments that attract groups should be compelled to provide suitable facilities and coach parking.

We will compile a best practice guide which will offer local authorities, tourist attractions, developers, and planners a basic model for providing facilities for group visits, coaches, and their drivers. The aim is to improve arrival, waiting and departure area conditions, so that visitors and drivers have safe, sheltered, and convenient waiting areas with easy access to toilets and other amenities.

We will continue to work with local and national governments and partners including National Highways, sub-national transport bodies and service providers to ensure that coach parking and facilities are adequately considered.



Regulation

With the Retained EU Law Bill, the Government should look at the potential for review and reform of PSV drivers' hours. PSV drivers typically spend a lower proportion of duty time driving than their freight counterparts. The EU have already indicated a willingness to look at this in 2023-24, so it would be a good time to make sure that at the very least any changes they bring about are reflected on this side of the Channel.

The minimum age for drivers is another area for review. Allowing 18-year-old drivers to do more coach work would both widen the pool of drivers and bridge the gap into the industry straight from education.



About the RHA

Established in 1945, the RHA is the UK's only trade body dedicated to the operators of commercial vehicles – trucks, coaches and vans.

The road transport sector is essential to keeping the UK economy moving, transporting 89% of all goods moved by land in the UK, including 98% of food, agricultural and consumer products.

This includes transporting goods and produce at every stage of the supply chain. Hauliers are essential road users; they ensure our supply chains are kept moving.

Our membership includes 8,500 members, ranging from owner operators to those with fleets of over 2,000 vehicles. Between them, they account for over 250,000 commercial vehicles currently operating on UK roads. 85% of our members are small and

medium-sized enterprises. The RHA has a substantial commercial arm offering a range of membership services including audits and compliance. As a training provider, our driver training schools in Bathgate and Peterborough train new drivers, bringing new talent into the industry.

We campaign on behalf of our members and work closely with the UK Government, devolved administrations, and local and combined authorities across the UK to increase support for road hauliers and coach operators. Throughout 2022, campaigning has focused on three issues – tackling the skills shortage, improving driver facilities and welfare, and decarbonising the road transport industry – and has enabled the RHA to secure a range of policy wins for its members.

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