

Future of transport regulatory review: regulatory sandboxes

Introduction

Thank you for responding to our consultation, your views will assist in the development of surface transport sandbox policy.

The closing date is 22 November 2021.

View all the questions

This survey provides questions based on user choice, a [full copy of the questions is available \(opens in a new window\)](#).

Print or save a copy of your response

When you get to the end of this questionnaire, you will be offered the chance to either print or save a copy of your response for your records. This option appears after you press 'Submit your response'.

Save and continue option

You have an option to 'save and continue' your response at any time. If you do that you will be sent a link via email to allow you to continue your response where you left off.

It's very important that you enter your correct email address if you choose to save and continue. If you make a mistake in the email address you won't receive the link you need to complete your response.

Accessibility statement

Read our [accessibility statement for SmartSurvey forms \(opens in a new window\)](#).

Confidentiality and data protection

This consultation by the Department for Transport is about gathering views to assist in the development of surface transport sandbox policy.

We are asking for:

- your name and email address, in case we need to ask you follow-up questions about your responses (you do not have to give us this personal information, but if you do provide it, we will use it only for the purpose of asking follow-up questions)
- whether you are representing an organisation or yourself
- the type of work of your organisation in order to better understand your relationship with the issue

Your consultation response and the processing of personal data that it entails is necessary for the exercise of our functions as a government department. DfT will, under data protection law, be the controller for this information. [DfT's privacy policy \(open in new window\)](#) has more information about your rights in relation to your personal data, how to complain and how to contact the Data Protection Officer.

Your personal data is processed on behalf of DfT by Smartsurvey, with respect that they run the survey collection software only, your personal data will not be shared with any other third parties, even those employed for the purpose of analysis.

We will not use your name or other personal details that could identify you when we report the results of the consultation. Any information you provide through the online questionnaire will be moved to our internal systems within 2 months of the consultation end date. The information will be kept securely and destroyed within 12 months of the closing date, with the exception of information and evidence of the Public Sector Equality Duty.

You

1. Your (used for contact purposes only):

name?

email?

2. Are you responding: *

- as an individual? (Go to 'Surface transport regulatory sandbox')
- on behalf of an organisation?

Organisation details

3. Your organisation is in:

- academia?
- industry?
- the public sector?
- a non-governmental organisation?
- a charity?
- another type of organisation?

We are the UK's network of city region transport authorities.

Our network brings together Greater Manchester (Transport for Greater Manchester), Liverpool City Region (Merseytravel), London (Transport for London), Tyne and Wear (Nexus), South Yorkshire (South Yorkshire Mayoral

Combined Authority), West Midlands (Transport for West Midlands) and West Yorkshire (West Yorkshire Combined Authority).

Cambridgeshire and Peterborough Combined Authority, Nottingham City Council, Strathclyde Partnership for Transport, Translink, Tees Valley Combined Authority, Transport for Wales and West of England Combined Authorities are associate members.

Surface transport regulatory sandbox

We are seeking feedback on the use of regulatory sandboxes to support innovation in surface transport.

Innovation can disrupt the status quo and challenge the way things have been done previously. It can quickly outpace regulation. Regulations then create barriers that prevent the meaningful deployment of new technologies. Innovators and regulators need support to help break new ground in a way that is safe and responsible.

A regulatory sandbox is a defined space where new business models, technologies and policies can be deployed and used in a way that is safe and responsible. Regulators take a leading role to provide guidance, exemptions and regulatory support to innovators.

Sandboxes can:

- make more effective use of the existing legislative framework
- reduce the risk of innovative new technologies, allowing their use ahead of legislative changes
- reduce the regulatory burden placed on innovators
- help regulators better understand the impact of new technologies and services
- create opportunities to build new capabilities within local and central government – to understand how innovative new technologies might fit into traditional transport planning and business cases

Sandboxes are being considered as part of the wider context of modernising transport legislation to support innovative new modes and technologies. We are asking questions on 3 areas:

1. advantages and disadvantages of sandboxing
2. roles and responsibilities
3. new powers and regulatory flexibility

Advantages and disadvantages of sandboxes

The UK has pioneered the use of sandboxing in other sectors, such as aviation and finance, to enable the deployment of innovative new technologies and to build public trust. Sandboxing in surface transport poses new challenges, notably the lack of a single central regulator for all transport and innovation within this space. We are seeking views on the advantages and disadvantages of using sandboxes within surface transport to support innovation and build capability across all levels of government.

4. What do you see as the advantages of using a sandbox in surface transport?

Transformative technological change has opened the way to new travel formats and business models which, in turn, can lead to explosive growth (and sometimes, subsequent implosion) leaving the regulatory framework struggling to keep up or predict what will happen next. This has been the case for a range of innovations, from smart ticketing to the arrival of Uber and other app-based operators.

We strongly agree with the consultation's assertion that a 'flexible and forward-looking regulatory framework for transport' is required if the UK is to become a world leader in shaping the future of transport. Sandboxes could be a useful tool to support a more agile, responsive framework whilst also managing risks.

The nature of the existing framework, and opportunities for reform, are explored in our report ['Towards an appropriate legal and regulatory framework for smart futures on transport.'](#)

In essence, we believe that the following foundations are needed to enable city regions to harness transport innovation:

- Agile and devolved governance to support and protect wider goals for people and place.
- Long-term funding certainty giving space to plan strategically and creatively.
- Key standards set nationally, with the scope to go above and beyond locally.
- Open data, shared safely to inform decision making.
- Freedom to test new approaches on the ground.

These foundations underpin our response to this consultation and to the Future of Transport Regulatory Review more widely.

In line with these foundations, we support the establishment of sandboxes in surface transport as a means of offering the freedom to test new approaches on the ground in a safe and controlled environment. They provide a valuable means of understanding the impact of new services and technologies on people and places in real time, as well as providing the public themselves with the opportunity to try, and become familiar, with innovations.

Sandboxes can be used to explore a range of regulatory dilemmas, for example, around the implications of:

- New types of vehicles, and developing the right level of regulation for these
- The blurring of vehicle classifications, for example, between bus and taxi
- Data standardisation and sharing, for example as part of Mobility as a

Service offers

- Transition periods as new vehicle types emerge and mix with the existing fleet
- Safety standards for new vehicle types
- Shared vehicles and how they should be licensed and managed

It is important to note that sandboxes are not just about testing new services and innovation. They can also be used to test new policies and regulations as well as enable innovators to access guidance and advice on navigating and complying with regulations.

There is a risk that sandboxes could be used to test innovation for innovation's sake, rather than to test potential solutions to real world problems. Local government can identify challenges and problems and invite the testing of innovative solutions to these. The starting point should always be, 'what is the problem we are trying to solve?'. Key challenges that sandboxes could seek to address include decarbonising the transport network; improving inclusion and accessibility; cutting congestion and car use; managing kerb space or improving the reliability of public transport.

Sandboxes should not, however, be viewed in isolation as these challenges are explored but rather as part of a wider process, which also examines the potential role of existing solutions in tackling the problem. If the mechanism for solving the challenge is prescribed in advance, it risks distorting the opportunity for new technology to be considered alongside more conventional options or for these to be used to complement one another.

To maximise the advantages, sandboxes should foster collaboration (including between local authority areas and city regions) and operate on the principle of open data, to ensure lessons can be shared widely and used to inform decision making at local and national level.

Sandboxes present the opportunity for local government, industry and other stakeholders to work together from Day 1 to explore a problem and potential solutions rather than involving local authorities later in the process as somewhat of an afterthought. In establishing this relationship, stakeholders can ensure that any solutions developed support wider public policy objectives as well having the potential to be commercially viable.

Throughout the process, sandboxes allow for a 'test and evolve' approach, as opposed to 'solve and leave', meaning that innovations can be trialled and adaptations made dynamically as opposed to being evaluated and acted upon at the end of a trial.

A sandbox type approach is already working well for the testing of e-scooters, with trials taking place across the country facilitated by temporary amendments to regulations at national level.

The widespread nature of the trials and different models and approaches being tested will allow a fuller picture to emerge around how e-scooters may work in different contexts and to explore what works best in maximising benefits and minimising negative impacts. In the spirit of a sandbox, the trials are also adapting in real time, adjusting approaches in light of experiences. In turn, these experiences can be used to inform any future deployment, making it more likely

that any potential issues have already been 'ironed out' and that roll-out is successful.

If, through a sandbox, a solution is proven to be fit for purpose, there must be a smooth 'concept to deployment' mechanism, avoiding stop-start delays and unnecessary duplication of effort and resources that have hindered take-up of useful new solutions in the past. For example, Oyster cards were proven to work in London but were not rolled out beyond the capital, meaning other areas were asked to reinvent the same solution.

In examining the potential of sandboxes, it will therefore be important to explore what has slowed down the implementation of proven ideas in the past, and what can be done to address this through the sandbox process.

What do you see as the disadvantages of using a sandbox in surface transport?

As noted in the consultation paper, previous successful sandboxes have been established by regulators (the Civil Aviation Authority, the Financial Conduct Authority and Ofgem) but no centralised regulator exists for surface transport.

In existing sandboxes, regulators play a key role as having the power to flex existing regulations, indeed, this consultation states that 'Regulators take a leading role to provide guidance, exemptions and regulatory support to innovators'.

Currently, DfT acts as a regulator on some transport issues, for example, in the UK connected and autonomous vehicle test beds, through the Centre for Connected and Autonomous Vehicles. Other institutions with regulatory oversight on transport matters include the Traffic Commissioners, the Driver and Vehicle Licensing Agency and Highways England.

There are further complexities at local level, for example, in a city region, the combined authority is the transport authority but districts usually retain highways and traffic powers (and are responsible for licensing and regulating taxis and PHVs, for example). A further layer of complexity is added in respect of who is responsible for enforcing which traffic offences.

Given the diversity of stakeholders and the multitude of modes and interdependencies in surface transport, identifying which body (or bodies) should perform the role of regulator could prove challenging. The existence of such a role would, however, provide clarity to would-be innovators and provide a one-stop shop for advice and for convening stakeholders. It may be logical for local or city region transport authorities to perform such a role for sandboxes operating in their areas (see Question 5).

Other potential disadvantages to be aware of include:

- Cost: sandboxes are recognised as requiring high resource costs in terms of time and money – any proposals must be backed by adequate funding to support local government in any new responsibilities it might acquire.
- Expectations beyond the sandbox: once a service has been introduced, there may be pressure (e.g. from the innovator or the public) to maintain it after the sandbox ends, regardless of any negative impacts. This could potentially be the case with e-scooters where it is hard to see how the

- 'genie' could now be put back in the bottle following the trials.
- Representative testing: sandboxes may need to be implemented across a range of geographical areas and contexts to fully understand the potential implications. This highlights the need to promote a collaborative, rather than competitive, approach to establishing sandboxes among local areas.
- Disproportionate market advantage: innovators who have worked closely with local authorities/regulators could be seen as having an unfair advantage over others.
- Skills: lack of a central regulator and need for capacity building.

Roles and responsibilities

As sandboxes are place-based and unique to the challenges of the local area, we expect local authorities (LAs) to take a leading role in managing day-to-day activity. We are seeking views on specific roles and responsibilities within a sandbox and further views on how relationships within a sandbox should be managed.

5. What, in your view, should be the role of:

central government in a surface transport sandbox?

Before sandboxes can be established, central government will need to determine which body or bodies should perform the role of regulator. This could be a new body or involve assigning powers to existing authorities at national, regional or local level. Work will be needed to identify what powers, skills and knowledge will be required by the regulator(s) and any capacity building or funding that may be required to support them in their role.

Local and regional authorities will need to be fully included in the process to ensure it takes account of local priorities, policies and constraints.

A further key role for central government is to set the national framework and standards to guide the creation of sandboxes. National standards might include requirements around safety, accessibility, inclusion, data sharing and environmental requirements. Local authorities would need the power to set standards and requirements that go beyond national minimums.

local government in a surface transport sandbox?

City regions and local authorities have great potential to lead and encourage collaboration between innovators, transport authorities, citizens and other stakeholders to create a safe space for testing new approaches.

As a general principle, transport powers should be devolved to the most appropriate level to allow for integrated and agile transport governance that supports and protects wider goals for people and places and ensures that new services are a good fit with the existing transport network.

As such, local and city region transport authorities could potentially become regulators for sandboxes operating specifically in their areas, being well placed

to ensure they meet public, as well as commercial, interests. These bodies would also have the advantage of being able to:

- Provide advice and guidance to innovators (in some cases, it may be that a sandbox is not required to do what the innovator wishes to do)
- Help to clarify the roles and responsibilities of different stakeholders
- Act as a central convenor, bringing together the various stakeholders
- Provide access to useful data to inform the development of the innovation
- Recommend suitable locations and target audiences

Local areas should not have sandboxes forced upon them and should have the power to specify requirements for sandboxes that ensure they support and protect local priorities. Local government should have the freedom to set requirements for sandboxes that go above and beyond standards set nationally.

The purpose of sandboxes should not be to test solutions in search of a problem, rather they should be used to invite solutions to problems that need to be solved. Local government is well placed to identify what these problems and challenges are for their area and communities. It may be that these challenges are also being experienced by other areas which could present opportunities to work collaboratively to invite and test solutions across a range of contexts.

Building in the opportunity to collaborate, rather than compete with, other areas via sandboxes would be beneficial to promote efficiencies by working together to solve common challenges, understand how solutions work in different environments, share learning and avoid duplication.

Managing relationships within a sandbox between central and local government, industry, and the public is important. These relationships can provide arrangements for the sharing of data, monitoring performance, and resolving issues.

Gathering evidence to assess the performance of activities within sandboxes will help inform future policy. Views are sought on how to monitor and evaluate deployments within sandboxes. This includes views on data sharing arrangements and partnerships between government and innovators.

6. How, in your view, should relationships between parties be managed within a surface transport sandbox?

- Voluntary, non-contractual arrangements
- Contractual arrangements
- Another option:

Why?

Contractual arrangements would protect the interests of all parties. Local/city region authorities should have the power to ensure sandboxes fit with their priorities for the people and places they serve.

Arrangements should make clear:

- The scope of the sandbox, rules and expected outcomes
- Timelines, limits and expectations
- Availability of information, support, guidance and tools
- Data sharing and monitoring requirements
- Safety, consumer protection, cybersecurity and dispute resolution mechanisms

In our '[Towards an appropriate legal and regulatory framework for smart futures on transport](#)' report, data sharing requirements emerged as a significant gap in the current legal and regulatory framework across new mobility modes. Sandboxes must include a requirement to share data with city and transport authorities given its vital importance in serving the interests of travellers, ensuring efficient and integrated transport operations and supporting wider goals for people and place.

Sandbox powers and regulatory flexibility

Sandboxing can help make better use of existing powers through regulatory flexibilities to support new technologies and services. Views are sought on how existing powers might help support current and future innovation.

We also need to find out if there are any gaps in the regulatory framework that could be usefully employed in future sandbox trials, to stimulate innovation and the development of emerging technologies.

7. What existing legal powers, in your view, might unlock barriers to innovation in surface transport (including specific examples)?

Examples of existing legal tools that could be used to test new approaches include:

- Temporary or Experimental Traffic Regulation Orders
- Variations to Private hire vehicle/public service vehicle operator's licences
- Facilitating access to public or private land, unlocking land uses

8. What existing powers, in your view, could be transferred or delegated to help support innovation at a local level (including specific examples)?

As a general principle, transport powers should be devolved to the most appropriate level to allow for integrated and agile transport governance that supports and protects wider goals for

people and places and ensures that new services are a good fit with the existing transport network.

New powers might be required to safely support innovation, given the potentially wide scope for innovation in surface transport and the likelihood of emerging regulatory barriers. We are seeking views on these new powers.

9. In your view, are new powers required to enable the use of sandboxes in surface transport (including specific examples)?

As a general principle, transport powers should be devolved to the most appropriate level to allow for integrated and agile transport governance that supports and protects wider goals for people and places and ensures that new services are a good fit with the existing transport network.

As discussed above, local/city region authorities could be well-placed to act as regulators for sandboxes taking place in their areas and would potentially need new powers to enable that.

Local/city region authorities would also need powers to enable them to go above and beyond national minimum standards set for sandboxes, in line with local priorities and existing transport networks. They would also need to be able to set limits, or even pause or halt a sandbox, should it become clear that new services are detrimental to wider goals.

Other feedback

The [Public Sector Equality Duty \(PSED\) \(opens in a new window\)](#) requires public bodies to have due regard to the need to eliminate discrimination, advance equality of opportunity and foster good relations between different people when carrying out their activities.

As a part of this duty we are asking for any evidence on the potential impacts of these proposals on individuals or groups within society. The [Equality Act \(opens in a new window\)](#) lists the protected characteristics of:

- age
- disability
- gender reassignment
- marriage and civil partnership
- pregnancy and maternity

- race
- religion or belief
- sex
- sexual orientation

This evidence will be anonymised and retained after the retention period of this consultation information.

10. Supply any data or evidence you have about any of the proposals discussed that you think would positively or negatively impact on individuals with protected characteristics.

[Attach any evidence you have your response]

Comments:

Appraisal of sandbox proposals should include assessment of the extent to which innovations are available, affordable, accessible and acceptable to all.

Final comments

11. Any other comments?