

Written submission from the Urban Transport Group (BCC0060)

- a. How the Government's proposed reforms of powers over buses in England, and recently-announced funding, should take into account the particular challenges of rural areas and local authorities outside major cities, and how authorities in these areas can make best use of those powers and funding.**

The Government's proposed reforms of powers over buses in England, as set out in the Bus Services (No.2) Bill which is currently making its way through parliament, are set to benefit all kinds of local transport authority, including those outside of major cities and in rural areas.

The Bill introduces new ways in which to franchise a bus network, including franchising parts of areas, or direct awarding a contract to deliver bus services for a set period of time to ease transition to a new franchised model.

The changes make franchising more accessible to rural areas, meaning they do not have to mirror the large-scale approach taken in Greater Manchester, which would be out of reach for rural authorities. The Bill means that all authorities can have franchising as part of their toolbox for improving bus services.

It is also worth noting that many Mayoral Combined Authority (MCA) areas contain significant rural areas. Franchising will mean that less profitable services can be packaged up with profitable routes as part of contracts, enabling more well-used services to cross-subsidise those that have lower patronage but provide a vital lifeline to the communities they serve.

The Bill also includes measures to improve Enhanced Partnerships (EPs) which all Local Transport Authorities (LTAs) committed to establishing if they had not begun the statutory process for franchising by the end of June 2021 (and so apply to all areas outside of Greater Manchester and Liverpool City Region).

Changes as part of the Bill require LTAs in EP areas to identify socially necessary local services and specify arrangements that must be followed if a bus operator wants to cancel or vary such a service, making operators more accountable to passengers before cuts are made. We welcome this instrument and further engagement between operators and local authorities through their EP.

Another positive change regarding EPs concerns objections by operators. Currently there is a requirement on LTAs to notify the operators of qualifying local services in the area affected by the proposal to create, vary or revoke an EP and give them a period of at least 28 days to object. A new clause introduced in the Bill would change this to a maximum of 28 days. This enables the LTA to proceed with the changes more quickly if all operators agree. We support this change as it could enable a faster and smoother process in EP areas.

In terms of recently announced bus funding, we welcome the movement towards a single pot for bus funding and greater certainty, rather than a reliance on competition-based funding. This benefits city and rural authorities alike by allocating funding transparently and according to need, rather than ability, resources and capacity to put together bids for funding. It also frees up much needed local government resources.

Measures in the Buses Services (No.2) Bill include powers for LTAs to design as well as pay funding grants, enabling them to be targeted at locally important outcomes rather than nationally specified targets. This will give all authorities – rural or urban – the freedom to tailor support to services and needs locally. However, any guidance will need to be developed working closely with LTAs to ensure there are no unintended consequences.

Greater powers over bus services and funding alone will not be enough to safeguard bus services, whether in rural or urban areas. Service levels and coverage ultimately reflect the level of funding (be that fare box or government support) available.

b. The effectiveness of recent Government policy in tackling declines in bus services.

We welcome the Autumn Budget's announcement and subsequent details of the £1 billion of funding for buses as offering certainty to LTAs and bus operators which deliver vital bus services across the country. The funding will help to protect services and keep fares low for passengers. Crucially it also provides a bridge to the forthcoming Spending Review, which we hope will lock in a longer-term revenue and capital funding settlement for local transport.

Bus services across the country have been trapped in a spiral of decline, exacerbated by the COVID pandemic. The recovery over recent years has been

welcome, but bus patronage is still 10% lower than it was in 2019/20 and had been in decline for many years before this.

Operating and contract costs have risen significantly due to high inflation. LTAs have been increasingly called upon to support socially necessary bus services as commercial operators focus on their most profitable routes. At the same time, pressures on local authority budgets have made it difficult to preserve and maintain routes. Government support has helped to hold vehicle miles above where they otherwise would be, but they too are 10% beneath 2019/20 levels.

If supported sufficiently and better aligned to local needs and priorities, the true value of buses could be realised through refreshed regulation and coherent, predictable and long-term investment by local and central government. In this way, they can flourish, offering high quality, green, affordable transport and, crucially, attracting new passengers.

To safeguard, sustain and ideally enhance bus networks, LTAs need clarity and long-term financial certainty, particularly at a time when so many areas are looking to specify and control their local bus networks through franchising.

c. How effectively bus services function as part of integrated multi-modal networks that improve mobility for people who live in areas with declining services.

Bus services are the backbone of any multi-modal network and are the nations most used form of public transport. Other non-car modes cannot rival the flexibility of the bus to operate anywhere and to have the capacity to cover short or long distances. Many communities, particularly in rural areas, do not have the option of other modes to fall back on, with no railway station, no shared mobility and with key facilities too far away to reach on foot or by bike. Cars and taxis become the only option.

For many communities, without the bus (or without a bus operating at the right frequencies and to the right places) there is no public transport network. The bus is vital in keeping communities connected without the need to travel by car.

d. The social and economic impacts of poor connectivity on access to education, healthcare, employment, and social inclusion in communities, as well as on the economy of towns and villages.

The bus is a unique and effective tool of social policy, intrinsically targeted at those groups most in need of support. Investment in bus services, including making those services more affordable, is an investment in social equity and helps to bring down the cost of living. This is particularly true for people on the lowest incomes who are more likely to rely on the bus to get around and have few, if any, alternative transport options.

According to the DfT's National Travel Survey, some 22% of households in England do not have access to a car, rising to 40% of households in the lowest income quintile. For those without car access, walking is the main mode of travel, followed by bus.

The bus is vital in connecting these households to education, healthcare and employment as well as to leisure and social activity. According to CPT research, for 1 in 5 bus journeys a practical alternative does not exist. The Health Foundation reports that people who rate public transport as 'good' are almost three times more likely than those who rate it as 'poor' to be able to access services such as health, education or food shops.

Research by the University of Leeds found that a 10% improvement in access to bus services would mean 50,000 more people in work. Their research also found that around 400,000 workers are in better, more productive jobs as a direct result of the bus.

Without suitable bus services, people's access to opportunity is severely curtailed or those on the lowest incomes find themselves forced into costly car ownership or use of taxis.

e. The effectiveness of current funding models and governance structures in enabling local transport authorities and commercial operators to improve, sustain and keep bus services outside major metropolitan areas affordable, and the potential effectiveness of alternatives.

See answers to previous questions.

f. Evaluating the potential of alternative service models, including Demand Responsive Transport (DRT) and community transport, and

other innovations or technologies which could support or replace buses serving less populated communities, and what steps the Government should take to support them.

The concept of Total Transport was piloted in 2015 in response to the previous Transport Committee inquiry into transport and isolated communities. We continue to believe that Total Transport approaches could help ensure that the funding and resources that are available for transport are used as efficiently as possible.

The public sector provides and funds collective transport in a variety of forms, including conventional bus services, healthcare services, social services and education transport. In addition, there is community transport and other voluntary sector collective provision. These services are often provided through different budgets and by different administrative arrangements and can see vehicles underutilised for large parts of the day whilst elsewhere transport needs go unmet. There is scope for greater pooling of budgets and vehicle fleets to provide a single service more cost effectively.

Total Transport on a large scale is probably most easily achieved in rural areas and outside of cities and towns where most public transport is publicly supported, and where the scale of the administration for currently separate budgets and vehicle fleets is more manageable.

The previous pilots were short term, just two years in length. Experience shows that Total Transport approaches take time to get off the ground, particularly given the need for partners to build up the trust needed to share their resources and to integrate their ways of working. Successful schemes start small and build slowly. There will be schemes that are still running with their own resources. The time could be right to revisit the concept and explore how such schemes could be supported.

g. How successful Enhanced Partnerships (EPs) have been so far in improving bus services outside major urban areas, whether franchising is likely to provide a better framework for these areas, and whether there are alternative models worth exploring.

Submissions to the Transport Committee's previous inquiry into the implementation of the National Bus Strategy stated that negotiating, establishing and maintaining EPs can be extremely time consuming for LTAs and for operators alike.

As discussed above, changes proposed under the Buses Services (No.2) Bill could assist in smoothing the process and enhancing the EP offer to passengers as well as offering more accessible franchising options for all LTAs to add to their toolbox as an alternative to EPs.

h. How well policy, funding and oversight of bus services allow services that straddle rural and non-rural areas, and local government boundaries, to be managed.

No response.

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