

# Transport Committee

Oral evidence: [National Bus Strategy: one year on](#),  
HC 161

Wednesday 18 May 2022

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Members present: Huw Merriman (Chair); Mr Ben Bradshaw; Simon Jupp; Robert Langan; Chris Loder; Karl McCartney; Grahame Morris; Gavin Newlands; Greg Smith.

Questions 1–98

## Witnesses

**I:** Councillor Steven Broadbent, Cabinet Member for Transport, Buckinghamshire Council; Pete Bond, Director for Integrated Networks, Transport for the West Midlands; and Councillor Tony Page, Deputy Leader, Reading Borough Council.

Written evidence from witnesses:

- [Buckinghamshire Council](#)
- [Reading Borough Council](#)
- [Transport for the West Midlands](#)



## Examination of witnesses

Witnesses: Councillor Broadbent, Pete Bond and Councillor Page.

Q1 **Chair:** This is the Transport Committee's first evidence session of our new inquiry into the national bus strategy, one year on. The bus strategy was a recommendation from the Committee that we are delighted the Government took on. We are now keen to pursue it to see how it reaches its landing point.

Our session today is focused very much on the local government side of things—those who are responsible for bidding and then delivering the improved services. On our first panel we have three witnesses. I ask them to introduce themselves for the record, starting with Mr Bond.

**Pete Bond:** Good morning. I am Pete Bond, director of integrated transport services for Transport for West Midlands.

**Cllr Broadbent:** Good morning. I am Councillor Steven Broadbent, cabinet member for transport at Buckinghamshire Council.

**Cllr Page:** Good morning. I am Councillor Tony Page. I am the deputy leader of Reading and the lead member for transport and planning. We are the proud owners of one of the few remaining municipal bus companies.

**Chair:** Good morning to all of you. Do Members have any interests they wish to declare?

**Greg Smith:** I need to declare for transparency that Councillor Broadbent is well known to me. He represents a ward that is in part in my constituency. Buckinghamshire Council entirely covers my constituency.

Q2 **Chair:** That's it for the declarations. I will start with this opener. I should state from the off that we are keen to get as much evidence as possible from you, but it may well be that all three of you do not need to answer the questions that are put to you in order for us to get through our brief.

Can I start by asking for your general opinion as to how well the Department's implementation of the bus strategy has gone for you and the authority that you represent? Mr Bond, we will start with you.

**Pete Bond:** In terms of engagement, from Transport for West Midlands' perspective the national bus strategy, which was launched in March 2021 in Coventry in the west midlands, represents a real, broad change of direction and objective for buses across England. We really welcome its desire, intent, objectives and approach. It is absolutely a breath of fresh air to see some of those objectives. They very much marry with our own regional strategy, "Strategic Vision for Bus", which was embedded back in 2019. We had commenced part of that journey.



On implementation, we have been working very closely with the Department around this at a time when we are also looking at Covid recovery and recovery of the bus market from Covid. Having those two things running concurrently has represented some challenges as well as opportunities, because we are trying to ensure that we are monitoring and managing the recovery of patronage to the bus network across the region at the same time as developing our proposals for transformation, implementation and long-term strategy. Although we can decouple those to a degree, there are elements of overlap and challenge.

Our relationship with the Department has been very strong through that. It has been trying to work alongside, understanding that sometimes those differences have meant that there have been challenges around both timings and timescales, and being able to achieve targets and target dates.

**Q3 Chair:** We will come to Covid recovery later on, so I want to focus on the actual strategy, if I may; I understand that they are linked. How much did you bid for, and how much did you receive?

**Pete Bond:** For the bus service improvement plan, we bid for £662 million. We calculated that delivering the strategy in our region would cost around £1.1 billion overall, through the lifetime of its delivery. We bid for £662 million this time. We have an indicative offer at the moment of £87.8 million from the Government, pending further clarity around the enhanced partnership.

Related to that, part of it was our capital investment for bus priority. The request came back from the Department that we should move that into our CRSTS—city region sustainable transport settlements—bid. We have reviewed that so that we have £144 million-worth of bus priority proposals in the CRSTS package, which is also being negotiated with the Department.

**Q4 Chair:** Councillor Broadbent, you bid as well on behalf of Buckinghamshire, but were not successful, as I understand it. Can you tell us a little more about your impression of the strategy and how it is going for Buckinghamshire?

**Cllr Broadbent:** You are right. We put together what we thought was an ambitious bid. It was not as large as Pete's bid—it was in excess of £50 million—but, unfortunately, we did not receive anything.

You asked about the strategy. Having the strategy was a very good move because it helped to raise the importance of buses in our network, particularly as we are a predominantly rural county, with very high car dependency but a rather infrequent service. A lot of our plan was to try to make buses an attractive option by tackling service reliability and attractiveness for people to create a shift. There are a number of facets to how we would have achieved that.



You asked about the strategy and its implementation. It has raised expectations as well. We feel incredibly disappointed that, having raised expectations and worked at pace to make sure that we put together a comprehensive plan, ultimately we were one of the 40 bidders who did not receive any funding at all, certainly at this stage. We will have to look at other opportunities to bid to other funding streams later.

It has left us with a situation where we are trying to continue to work on the enhanced partnership with operators to see what we can do. The stark reality is that, without additional funding, we will be playing around the edges to try to make things more attractive, rather than creating the step change to achieve the shift that we wanted to make through the plan. I would query whether this can really be called the implementation of a national strategy, given that 40 areas out of 71 did not get it. That is how we feel.

**Q5 Chair:** That is a very good point. We are very grateful to you for coming along, given that you did not receive the funding. We want to learn the lessons of where it has not been national, to your point.

Councillor Page, you referenced that you are a municipal. I remember that when we had a bus services inquiry some years back, alongside the Bill, we looked at municipals. I believe that our Committee recommended that they not be stymied in the way that the Bill actually did. How has the BSIP process worked for you as a municipal? Has it been any different, in terms of your approach?

**Cllr Page:** We work very closely with our bus company. We have the second highest patronage of any bus company outside London. That was pre-pandemic. We welcome the bus strategy, because we see it as helping us to build from a position of strength.

As Steve rightly said, the bus strategy, which, of course, was very much pre-Covid, has now morphed into a much more fragmented strategy. As an authority that owns a municipal, we are in a good position to deliver. One of the reasons why we have done relatively well—we bid for £100 million and have received just over £26 million, indicatively—is that that close working relationship enables us to deliver in terms of bus priorities and other aspects. That means that the difficulty that some authorities have of dealing with a number of different privately owned operators does not exist. We have some private operators, but we, the municipal, have 95% of the mileage in the greater Reading area.

Dealing with the Department, we delivered successful projects under the local sustainable transport fund bids that, you will recollect, emerged around 2011-12. The capacity of the authority to deliver has been quite good, but there is an issue with the Department's capacity. It is all very well the Department somewhat patronisingly offering additional resources to councils—you get the reward of an officer to work on the EP, even though you do not get any money at that stage—but the Department has proved somewhat dilatory in meeting even reasonably fluid timetables.



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We have to respond by certain dates. The Department rarely, if ever, reciprocates by giving a date for when it will deliver the next stage. Indeed, in its letter of 4 April it apologised that “it has taken some time to provide this indicative funding allocation.” It then says, “We will review your draft EP,” and provide further feedback, but there is no timetable on its side. It indicates a timetable for us, but that has slipped constantly. The strategy implementation has slipped considerably from that originally envisaged. That is proving frustrating and obviously has funding implications, which, no doubt, you will want to raise.

I have reread the Prime Minister’s foreword to the bus strategy, “Bus Back Better”, which was superb. It really marked a high point in recognition of the importance of public transport. Unfortunately, since then, with the pandemic and the Covid recovery money having reduced the overall pot, we are now in a situation where a minority of authorities receive only partial funding for their bids. It would be somewhat hard to argue that we now have a national bus strategy to take forward.

**Chair:** We have looked at the funding before. It is fair to say that we could not see that the amounts had actually been reduced from where they were, but there was probably uncertainty about the sum total and what it was being allocated for.

You have given us a lot there. I will button it now and hand over to Greg Smith to carry on.

**Q6 Greg Smith:** Bearing in mind that some received funding and some did not, it would be helpful to understand what you were individually trying to achieve for your areas as you prepared your asks of the bus service improvement plan. In particular, can you try to give us a flavour of what, when you looked at that, were the essentials that absolutely needed to be locked in to improve bus services in your respective areas, and what were the nice to have elements, if we can call them that, or the bits that you were trying to push in as an extra? We will start with Peter.

**Pete Bond:** In the overall proposals that we were looking to achieve within the region, we were seeking to get our ambition to create a bus network that is part of an integrated transport system for us; to have 260 million bus journeys per annum, 10% of bus journeys across England, undertaken within our metropolitan area. We also have a heavy-rail and a tram network, so we wanted to make sure that they were integrated.

We were looking at three key principles: better journeys, better fares and better buses. We were looking at the whole objective of how to progress the decarbonisation of buses and help them to be part of that, and how to make better journeys by seeking an improved level of priority so that we can get the performance and integration into the bus network that we really need.

We were also looking to get simplicity, through better fares. We have within the region a complexity of fares, with somewhere around 4,000



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different ticket types and products that people can buy. It takes days to wade through it, for anybody who does not know it. One of our key objectives from the BSIP, which we are still looking to achieve, is to reduce that to six ticket types that are accepted across all our operators. That includes all the work to develop the back-office systems so that we can effectively have a west midlands-style Oyster as part of that.

Because that required us to drive a legislative change, using the different legislation that came in through the Bus Services Act, through either enhanced partnership or franchising, one of the other things is trying to anticipate what the enhanced partnership will require us to do so that we can create the best outcomes. How can we create the environment whereby we and all of our operator base can monitor performance accurately, and share the right data and create the right outcomes so that, in effect, we can deliver one integrated system across the region? That was where we set out for the added value.

**Q7** **Greg Smith:** You talked about an Oyster equivalent for the west midlands. Is that a nice to have or something that users are demanding in the west midlands?

**Pete Bond:** It is absolutely essential. Later, in the next panel, you will hear from Transport Focus, which has done its own research into this. From a customer perspective, we need simplicity around fares. We are working on that, anyway, in the west midlands. We have a product called Swift and something called Swift Go, which is now interoperable between bus operators, but that has not taken away the complexity of the fares. What we are calling a bonfire of bus tickets is absolutely essential to try to create the modal shift we have been talking about.

**Q8** **Greg Smith:** That is helpful. Steve?

**Clr Broadbent:** It is a similar theme, on modal shift. As I mentioned in my first comments, for us it was about having a bus service and a network of routes that can make the use of buses a viable option for both urban and rural bus users. It is probably worth making the point that some of our large villages may have a bus only every couple of hours. Smaller villages—without being parochial, including my own—may have two buses a week. It is the traditional method; you can go into town, do some shopping and come home again on a Tuesday and a Friday. Of course, we engaged publicly, through the BSIP process. For most people, that was a significant barrier to using the buses.

For us, it was about looking at how we can build on the good work that we have done previously in the more urban areas. We have e-ticketing schemes in and around High Wycombe, for example, with different operators that can be used. Part of our BSIP was to try to expand that to Aylesbury and the surrounds, and then to Chesham and so on. For us, it was about removing barriers so that we put transport users first, improved the reliability and frequency of the bus service and made it easier to use with the ticketing.



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We have a very strong climate change strategy as an authority. Clearly, transport plays a huge part in that. We also put in a bid to consider greening of the fleet. Historically, we have not been successful in securing any funding for electric buses. Therefore, we get cast-offs from the operators, who bring the buses from areas that have transitioned. We then make an incremental change throughout the fleet in the county. Of course, we will take a lot longer to make a step change—that phrase again—on the decarbonisation agenda on our bus fleet.

Again, it leaves us at risk of, effectively, a two-tier system, particularly if you think about Buckinghamshire as a geography. There are lots of cross-border elements. It can be easier to go out to Oxfordshire, to Thame, or, in the north of the county, in Buckingham, over to Milton Keynes. The difference in provision of bus services between the two counties will be stark. Of course, for a passenger, the lack of timetable integration and expectation of how the service looks and feels and what the experience happens to be like will be quite stark. The step change may happen elsewhere, but not for us. That is the risk.

Our further ambitions were for physical changes on the network, to create prioritisation lanes and to make the signalling work better. We are quite constrained. Aylesbury is the eighth most congested place in the country. It is the most congested town, if we remove cities.

**Q9 Chair:** Is that right? It is the most congested town.

**Cllr Broadbent:** Yes. I will send in the details of the report from INRIX in 2019. It is very constrained on surface transport. Clearly, there was a big push in the urban centres. If we can get people out of cars and into buses, it may have an impact on that. Of course, that then has an impact on air quality.

We took a very ambitious approach and said that this BSIP could make a step change in a number of areas. Fundamentally, we were trying to make the experience more attractive to passengers in order to grow it. We have a relatively small bus service, but we still do about 9 million passenger journeys a year, and the council has to support a heavy number of those financially.

The final point that I would make is that we were really aiming to help to boost our night-time economy. Even outside the bigger centres, High Wycombe and Aylesbury, we do not have a service. There are only 20 bus movement journeys on a Friday and Saturday night in and out of High Wycombe. If you want to go anywhere further afield—to allow people from some of the larger villages to come into towns, even places such as Marlow—you just cannot do it through public transport. It should be noted that we have about 30 public volunteer-run community bus services, which help day to day, but that does not pick up the night-time economy piece.



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It should be said that we were successful in two demand-responsive transport schemes that will go live this summer in the two major areas I have spoken about. We have high hopes that that will help to demonstrate how bus services may move in the future to tackle some of those aspects. Again, that covers only the immediate vicinity of those two areas. Lots of people from the rural villages are at risk of isolation. Because we do not have alternatives or active travel schemes, buses are the next obvious step. That is why we were very keen on this plan.

**Q10** **Greg Smith:** Some of those themes will be explored by colleagues in more detailed questions later. Tony, do you have an answer from your area?

**Cllr Page:** Yes. We are building from a position of strength, as I mentioned. We already have more bus lanes per mile than any other urban area outside London. Indeed, we introduced the first bus lane in the country back in 1967. It has grown since. Therefore, the importance of bus priority measures is not something we need to discover. The Department knows that we are looking to build from that level of success.

We want more bus priority measures—not only bus lanes, but improved synchronisation with traffic lights and priority at traffic lights. Reading being the tightly knit urban area that it is, we also deliver a service and a function as the de facto capital of the Thames valley, with large numbers of people wanting to come in. We have good train links, but we want to develop more park and ride around the borough, which featured heavily in the BSIP bid. That means working with adjoining authorities. West Berkshire got a small BSIP allocation. Wokingham did not get any. Therefore, we have to juggle the areas outside our boundaries as well as inside. Modal shift is as important targeted outside the borough, to get people to use good park and ride and to reduce congestion and improve air quality.

Fares initiatives featured as well. Obviously, that is the revenue element of the BSIP award. That can deliver modal shift within the borough. We are talking to the Department about some very radical proposals. I emphasise that modal shift is delivered as much by providing a regular and frequent service, and that does not exist in some parts of the country. Therefore, we are focused not only within the borough but on capturing the market that may drive in currently and offering swift park and ride services. Bus rapid transit, as it is called, rather than mass rapid transit, is also an element of the proposals.

**Greg Smith:** I am mindful of time.

**Chair:** Indeed. You are right to be mindful of time. We have a lot to crack through. Can I ask you to be briefer with your responses? Before I bring in Chris, Karl McCartney wants to come in.

**Q11** **Karl McCartney:** Councillor Broadbent, you have touched on this already, so I will go to the other two witnesses first. If we look at this



from passengers' point of view, are evening services, perhaps for a night-time economy, or even weekend services essentials or nice to haves? Mr Bond, would you like to go first?

**Pete Bond:** It depends on what your long-term objectives and outcomes are. We have seen over the years some of the challenges that arise as services deplete. When you start to take away from those margins—night-times, evenings, Sundays—it starts to have an impact on other journeys, and gradually you erode the service. Evening services, with a comprehensive timetable that enables first journey to last journey, so that people have reliable services they can depend on, including for the night-time economy, are absolutely essential to long-term growth of the services.

Q12 **Karl McCartney:** Pre-pandemic, where were you on evening/weekend services, and where are you now?

**Pete Bond:** Again, there is a very mixed picture. Generally, within the west midlands, we have a really good, comprehensive bus service, particularly on the core corridors. We had several 24-hour corridors, for the first time in many years. Some of those are at risk when we come to speak about Covid impacts. That is where we have been.

Where we are at the moment is that our desire in the bus service improvement plan is to get more standardisation, so that people can see in those principles an expectation for all services; you can expect a service to operate at this frequency, until this time. It is hard to do because of the commercial elements, but the realities are that if we want to get modal shift and growth, we have to have that in place.

Q13 **Karl McCartney:** For some passengers, the priority is to have evening and weekend services, rather than just daytime ones.

**Pete Bond:** Absolutely.

Q14 **Karl McCartney:** Super. Councillor Page.

**Cllr Page:** I agree. We had a good network of all-night services in Reading as well. We have a university. We have an important rail station. We have—or had—heavy commuter flows to London.

We have to recognise that, post pandemic, the new normal will see a more even spread, with fewer spikes in commuter journeys, but more demand in the evenings, and certainly at weekends. Our Oracle shopping centre, which is a regional destination, is already reporting weekend footfall higher than pre-pandemic. Bus services need to respond to that. Different leisure, shopping and weekend demand will dictate that. It is an important element. In recent years we have diverted services, with the support of the university, through the university, which proved very popular. That is all in response. I think that will accelerate now, post pandemic.

Q15 **Karl McCartney:** That is pleasing to hear. Councillor Broadbent, I want



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to give you a chance to come back. I know that you covered this a little in your earlier answer.

**Cllr Broadbent:** Yes, I covered it. Having that service, certainly in targeted areas, is essential. We try to look at transport in the round and how it relates to things like town centre regeneration, housing growth and the type of housing tenure that is coming. We are increasingly seeing that that is not car dependent. Therefore, public transport in the round—buses being an obvious one—will become even more essential if people are to make that shift in overall lifestyle. I will leave it there.

**Karl McCartney:** Thank you.

Q16 **Chris Loder:** Good morning, gentlemen. I would like to put some fairly straightforward questions to Steven, to begin with, conscious of the situation you have been in with Buckinghamshire Council not being successful. Can you briefly outline your reaction to the Department's decision? I am particularly keen to find out whether you think that it is a fair decision that your council has not been awarded any funding.

**Cllr Broadbent:** We have requested feedback from the DFT. We have not got that yet. We participated fully in the process to make sure that our bid and the ambitions matched what we believed the objectives of the strategy and the DFT were. I am absolutely convinced that the bid will have hit some good scoring markers, so I am not quite sure where the tipping point came, in terms of being able to answer how fair that was.

The disappointment we feel is genuine. I think I said in my earlier comments that the strategy gained some traction. Publicly, people were aware that something was happening on buses. We very much wanted to engage with that. People are asking, "What is happening now?", so it is disappointing not to have the money.

Q17 **Chris Loder:** Do you believe that your council and the residents of Buckinghamshire have almost been set up for a fall in that respect? Clearly, from what you have outlined, an expectation has been set and that has now not happened.

**Cllr Broadbent:** I would not say we have been set up for a fall. I clearly understand that it is a competitive process, which may be something that needs to be considered anyway. I would not go as far as to say we were set up for a fall, but clearly an expectation has been raised. We worked diligently to provide something very comprehensive. I would say we have been let down by the fact that even an extension of the things we have already done, like e-ticketing, which we know is a stated objective, do not get any funding in something that we know is a key part of the national strategy.

Q18 **Chris Loder:** Gloucestershire, Suffolk, Dorset, Cumbria, Lincolnshire and Leicestershire are six of many rural areas, as well as Buckinghamshire, that have not received any BSIP funding. Would you say, in your opinion,



that urban areas have benefited much more than rural areas in the Government's decision?

**Cllr Broadbent:** Yes.

Q19 **Chris Loder:** Therefore, would you say that for your residents, and indeed for residents of Dorset whom I represent, rural areas have been left behind in this workstream, not having buses where maybe they were required?

**Cllr Broadbent:** Yes. When I mentioned a two-tier system earlier, it is primarily an urban/rural split. I would say, yes, they are certainly at risk of being left behind.

Q20 **Chris Loder:** Do you think the Department should be doing more, and have you any thoughts on what, to help with predominantly rural areas to deal with the issue? Rural isolation, as I am sure you well know, is an increasing difficulty.

**Cllr Broadbent:** What I would say to that is that buses in particular are the next obvious move to overcome car dependency, as I mentioned earlier, and, I would argue, the most cost-effective. That is very much why we set things on frequency of service. It will require some long-term funding to make the shift that Peter talked about to have certainty that future services will exist. They would therefore need to work with strategic transport bodies and authorities on what is the network of use now and how we can expand that, and accept that the cost per head of population will be greater than it will be in an urban centre.

Q21 **Chris Loder:** I am sorry, I do not know which sub-national transport body covers Buckinghamshire, but do you think they offer any value whatsoever in the process for the bus service improvement grant?

**Cllr Broadbent:** They absolutely do, for the parts that I mentioned earlier about the cross-border piece. That needs to be looked at on a more regional basis. Yes, they do, and I think they can help. We have bus companies who have some locus with depots in the county, and some outside. As I said, there is a difference in fleets. They have a role to play.

Q22 **Chris Loder:** Given the situation that you are now in, in Buckinghamshire, what decisions are you having to make, or what next steps do you think the authority is going to have to consider for the funding of buses?

**Cllr Broadbent:** Our funding will be fairly flatlined on the routes that we currently have. In terms of what we do on the BSIP, we are looking actively at how we can extend the multi-ticketing and try to improve on a passenger charter. There are big conversations on the level of expected service, training of staff and so on with the operators. We will continue to work with the market, but we will not get the expansion and not create the step change in use that I wanted.

Q23 **Chris Loder:** Are there any specific initiatives that you think the



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Department for Transport should undertake in order to help you in that situation?

**Cllr Broadbent:** Yes, the greening of fleet and massively funding the connectivity of tickets between operators and, I would argue, modes of transport.

Q24 **Chris Loder:** Do you think the concessionary bus pass should be reviewed as well, or not?

**Cllr Broadbent:** Interestingly, our concessionaires are only back at about 65% of pre-Covid levels rather than all passengers at about 80%. We have a relatively older demographic. That shows you that there is not the confidence in returning to the buses yet, even for people who used them previously. I think the Government, in the same way as they have done for railways, could do a big campaign on returning to bus use.

In terms of it being reviewed, if we are to expand bus use, the way that concessionary fares work needs to be more attractive and clearly laid out to members of the public.

Q25 **Chris Loder:** Do you think that the concessionary fares model, as it currently stands, disincentivises operators, that it constrains the extent to which they will operate?

**Cllr Broadbent:** Yes. If it could be more attractive, they are likely to push it.

Q26 **Chris Loder:** This is my quickfire round to all three of you. I am really keen to understand, very succinctly, whether the expectations of the Department were clear to you in the formation of the BSIP bid annual submission.

**Pete Bond:** It was iterative. Were they clear? They were clear through an iterative process.

Q27 **Chris Loder:** By that, do you mean that you had to ask for clarifications about certain points in order to be crystal clear?

**Pete Bond:** Yes.

Q28 **Chris Loder:** From your understanding, do you think all councils that submitted would have come to the same recognition, that clarifications would have had to be asked, or maybe not? You may not be able to answer, and I understand if you cannot.

**Pete Bond:** The only thing I can tell you is that regionally I set up a forum with our adjacent authorities, who generally are all shire and county authorities, so that we could have a bit of a learning exchange with each other. We knew that we had more information from Government than they did. Similarly, we did the same with other metropolitan areas. We were all discussing, "What approaches are you taking? Are we viewing it the right way? We are interpreting this as this."



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Are you interpreting the same?" We were undertaking our own clarification approaches around it.

Q29 **Chris Loder:** Broadly speaking, you are saying that the specific objectives required by the DFT were clear after some dialogue. I think that is what you are saying.

**Pete Bond:** Yes.

Q30 **Chris Loder:** Steven, could I ask you the same question, please?

**Cllr Broadbent:** I echo what Pete said. It was an iterative process. We asked questions and it came back. In the end, at least the responses that came back were useful in providing further clarifications, or at least our understanding was, based on what we put in the bid.

Q31 **Chris Loder:** Would you therefore agree that the original specification that was sent was not adequately clear without clarifications to make sure that you were absolutely to the point?

**Pete Bond:** I would say yes.

Q32 **Chris Loder:** Tony, could I ask you the same question?

**Cllr Page:** There was obviously guidance from the Department. I agree entirely with the points that were made. All highway authorities already have recourse to their local transport plans, which will include a whole raft of aspirations, some more detailed and some more worked out. We were able to take forward that work in discussion with the Department.

I suppose the question that I, as an elected member, and probably others, were asking throughout the process was, what are they going to be marking against? There is not that level of transparency, and there still is not.

Q33 **Chris Loder:** You are saying that is not there.

**Cllr Page:** No. You cannot really compare it with a tender process. When you bid against a tender there is normally some indication as to how much percentage will be allocated to value and all the other elements, but that was not spelt out and it still is not. In terms of the way in which the Department has allocated and approved bids, there is a certain lack of transparency, I would suggest.

As somebody who has received £26 million, I do not want the Department sitting there and saying, "Oh, how ungrateful." We are not ungrateful, but it would help for other authorities and for future bidding to have that clarity.

Q34 **Chris Loder:** I am going to stop you there because I have to keep going. Can I be very clear with all three of you. Have you respectively received feedback on your bids, successful or not? Peter?

**Pete Bond:** Yes.



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Q35 **Chris Loder:** Tony, have you received feedback?

**Cllr Page:** Yes, but, as was said, it is an iterative process. It is not just one feedback.

Q36 **Chris Loder:** Steven, I think you said you have not.

**Cllr Broadbent:** Correct; we have not.

Q37 **Chris Loder:** From talking to other authorities, including Dorset, before coming to this meeting, it feels to me that those who have not been successful have not been fed back to, and those who have been successful have received feedback. Is that a consensus that you would agree with from your understanding so far? Just yes or no.

**Cllr Page:** I would expect that, but I think this plays to the capacity point—

Q38 **Chris Loder:** We are really pushed for time, so just yes or no.

**Cllr Page:** I do not think the Department has the resources to be able to do what—

Q39 **Chris Loder:** I am coming on to that. It is a yes or no answer. Would you broadly agree with that statement?

**Cllr Page:** Yes.

Q40 **Chris Loder:** Steven?

**Cllr Broadbent:** Yes.

Q41 **Chris Loder:** Finally, before I hand back to the Chair, the bids were submitted in October. It has taken six months to give, as far as I understand it, preliminary awards. Would you say that the Department for Transport has a strong capability to administer this process, or very weak based on your experiences?

**Pete Bond:** I do not know if I would call it weak. I am appreciative of the fact that there are various different elements trying to be addressed at the same time. I think there is definitely room for improvement in the approach that has been taken.

Q42 **Chris Loder:** What do you say, Steven?

**Cllr Broadbent:** The DFT sets its own deadlines. It knows what to expect. It feels like it was not resourced to meet the expectation. You would think that is pretty much 101.

Q43 **Chris Loder:** How about you, Tony?

**Cllr Page:** I agree with that.

Q44 **Chris Loder:** Steven, you said you have not received feedback. Has the Department told you when you are likely to receive it?

**Cllr Broadbent:** Not that I am aware of, no.



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Q45 **Chris Loder:** I had a call with the Minister last week about Dorset. The Minister thought we were given feedback, or we were able to ask for it. We had asked for it. We will not be getting it until at least the end of the month. That is just to give you a little bit of insight in that respect.

Finally, in terms of feedback for the Department, you have all broadly agreed that the Department needs to get better in administering this process. Are there any specific things that you would like to see improved that would have enabled you to do better in the process? Peter, can I ask you for a brief answer, if you do not mind?

**Pete Bond:** As specifics for this process, I would probably have to say timeliness, clarity and a clear approach. I think, though, that there are wider questions because of the elements around Covid support and how that was allocated at the same time.

**Cllr Broadbent:** First of all, I would not want process to get in the way of the DFT or others trying to do something like this at pace. I think that is really important. We obviously worked at pace. Given the nature of the awards that seem to be in the preliminary funding, they may want to consider tranches of bids or bids of quantum. Clearly £160 million is three times the size of ours. It might have helped give some indication of resource allocation to achieve certain aims.

Q46 **Chris Loder:** I should have asked, of your total bid what is the percentage of capital expenditure and operating expenditure? That might be a bit of a curve-ball question. If you cannot answer it, I will understand. If you could let us know, that would be appreciated. I do not know if either Tony or Peter knows the answer to that question in terms of your bids. If not, would you all be happy to—

**Cllr Page:** The difference between capital and—

Q47 **Chris Loder:** Of your total bid that you submitted—

**Cllr Page:** Yes, £100 million.

Q48 **Chris Loder:** What percentage of that was capital and what percentage of it was operating expenditure?

**Cllr Page:** About 75% was capital.

Q49 **Chris Loder:** It was 75% capital expenditure and 25% opex, basically.

**Cllr Page:** Yes.

**Pete Bond:** We are about two thirds to one third.

**Cllr Broadbent:** The majority was capital.

Q50 **Chris Loder:** Could you just confirm that for us? It is something for us to understand in a bit more detail. Of course, there are a lot of authorities that would benefit from more operating expenditure than capital expenditure. If the criteria have not been clear to you, and I think you all



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concur that it has not been crystal clear, we probably need to drill into that in a bit more detail.

**Cllr Page:** I would just make the point—

**Chris Loder:** Really briefly, Tony, because I need to hand back.

**Cllr Page:** The Department is seeking to micromanage too much, and that is the capacity problem it has. If there was proper delegation and devolution to local authorities, particularly to those of us who have shown we can deliver, it could save itself time and money, but it will not let go. That applies to wider government and is obviously a wider debate.

**Chris Loder:** I think we have that message.

Q51 **Chair:** To finish the process on BSIPs before we move to the enhanced partnerships and franchising opportunities, Mr Bond and Councillor Page, you now have your awards. Are you now going to be told exactly how they need to be spent? Mr Bond, you have about 15% of what you actually asked for. How do you understand the process as to how that money is then allocated towards your entire bid?

**Pete Bond:** To date, we have an indicative offer. That is what has been very clear. It is an indicative offer of an award of funding. That is pending us submitting a draft enhanced partnership and then a review of that. Then we will have further clarification from the Government as to what level of detail they require on how that spending will be allocated.

Q52 **Chair:** Are you expecting them to turn round and say, "Of your bid we want you to allocate the money on these matters, which we thought were great, and not this, which we did not"?

**Cllr Page:** No, we had to do that.

**Pete Bond:** We have prioritised that process and sent it back to the Department. Now we have to show that through the enhanced partnership, and then they will give us feedback on our prioritisation.

**Cllr Page:** We had to do that by 2 May. We had to identify the priorities out of that original bid. That has now gone back to the Department: "We will aim to discuss with you during May and provide further feedback." Again, it is a very fluid timetable.

Q53 **Chair:** Is it your expectation that you will be quite micromanaged as to how you allocate the money?

**Cllr Page:** It comes down to us having to say how the money will be allocated. We are expected to give timetables for delivery of some of these schemes. Again, the Department is not helping by not having its own timetable. This is going to be a process that will run through the next few months. Until the Department has signed off those elements, we cannot move ahead with confirming the enhanced partnership.

Q54 **Chair:** I see that. For all three of you, again really briefly, did you



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actually use the £100,000 allocated to you on management consultants to prepare the bid, or did you employ someone and bring an extra person in-house?

**Cllr Page:** We used external assistance. I think the vast majority of authorities did.

**Pete Bond:** We did not receive £100,000. We received £25,000 because we were also in receipt of CRSTS, so we were told we would not get that. We used a mix of external and internal because we were trying to create some capacity.

Q55 **Chair:** You hired someone new in the post.

**Pete Bond:** Yes.

**Cllr Broadbent:** Likewise, we did a mix. We had some external and then other people who were brought in and directly employed.

Q56 **Chair:** The very last point on this from me is that you talked about this being a national strategy, but it has not been national in fund allocations. Is your council set up so that it has a separate bidding team? There are so many different bids now, not just for transport but for levelling up, and so on. Do you expect the transport team to bid, or do you have a team of professional bid writers inside county hall?

**Cllr Broadbent:** We do not have a team of professional bid writers who only do that. We very much put it in the sector specialism. As I said earlier, we see it in the round. There is a process of feed-in from other areas, but in this case it is primarily our strategic transport team who would submit the bid. Importantly, we also spoke to the public and, of course, elected members as part of that.

Q57 **Chair:** Councillor Page, do you have a—

**Cllr Page:** No. I am not aware of any authority that does. One might justify a business case for that if one had a forward plan of what Government bidding opportunities there were.

Q58 **Chair:** There seem to be quite a lot of them.

**Cllr Page:** Yes, we know there are, but quite when they fall and the deadlines—

Q59 **Chair:** Mr Bond?

**Pete Bond:** We restructured on the back of these processes. They come in quick and fast, and they are constant. We are actually working to develop skills within those teams so that we can have bidding pipelines in our teams. One of the challenges that we face is that, while this comes to us very modally from Government, we then have to piece it all together because we have our local authorities telling us not to present it to them modally either and to be joined up on it. We have to try to pull all of them into one place.



**Chair:** Writing a bid is a skill in itself. It might be something that we pursue with the LGA in the next session. Let's move on to enhanced partnerships and franchising with Robert Largan.

Q60 **Robert Largan:** Good morning, witnesses. Councillor Page, what progress have you made towards agreeing an enhanced partnership and what aims are you seeking to meet with your partnership?

**Cllr Page:** For us, it has been relatively easy. As I said earlier, Reading Buses is owned by us and is the dominant operator. It has not so much been a challenge of dealing with a mass of operators; it is more a challenge of dealing with all the adjoining authorities, and that has obviously been time-consuming. Authorities engage more if they are certain that there will be new bus services, and the funding announcements vary enormously.

From our point of view, we are confident that the enhanced partnership will now move forward because of the reasonable allocation that we have had. That will incentivise operators and adjoining local authorities to come to the table. With the caveat about the process that we have just discussed, about the Department coming back and giving feedback and approvals, I hope that we will have the EP up and running in a few months' time. There is every reason for people to join the table because we have that kitty and can actually use something to deliver modal shift.

Q61 **Robert Largan:** Are you confident that you have sufficient capacity and sufficient in-house expertise to be able to deliver it?

**Cllr Page:** Yes. As I mentioned earlier, our local transport plan has been there for many years. We are a very constrained urban area. We are used to working with the Oxfordshires, West Berkshires, Wokinghams and Hampshires. We have fairly mature relationships already. The EP is really reshaping existing relationships rather than building new ones.

Q62 **Robert Largan:** That is interesting. There are lessons to be learnt for where I am in Derbyshire. It is very much an issue of cross-border challenges. It is the same in Greater Manchester, which most of our bus services cut across. We face very similar challenges. I will be watching your progress in Reading very carefully.

**Cllr Page:** Owning a key bus company that is operating very much more on a social agenda, and has a good reputation not only with the public but with maintaining good relationships with other local authorities, helps. We are building from a position of strength rather than having to reinvent the wheel. That helps enormously. I am expecting an EP that will actually function effectively and, hopefully, lead to improvements to all those adjoining authorities.

Q63 **Robert Largan:** Thank you, Councillor Page. The same question to Mr Bond.

**Pete Bond:** This is an area where I think there are some risks. We are no strangers to it. We start from a good place with partnership. We were



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the first authority to utilise some of the legislation in the 2000 Act. We were the first authority to implement the multi-operator in the 2008 Act, and actually the first metropolitan authority to implement an EP, for our Sprint rapid transit services.

The reason why I think it is a risk is this. We are in a good place. We start from a good place in this, and I think we have the governance structures in place. We have a bus alliance board. It is independently chaired and supported right across the range. We have been working on that for seven years. It is not the same right across this country.

We know that through this legislation everybody has to move to an EP or franchising. We are in a place at the moment where less than 1% of bus services are managed under EP. By this time next year, nearly 100% will be expected to be managed in one or other of those ways. I think that represents some big risks. Some of those risks include the fact that, actually, capability and resource are one element, but those partnerships have to start. The reason why ours is in a good place is that we have had 12 years of partnership working, conducive relationships and making sure that we know how these things can morph together.

The governance and structures required to support them are not yet, in my view, fully understood right up and down this country. Having told you that, I think we are in a good place to make it happen, partly because we already have an enhanced partnership set up and we can migrate from that to the next table. While we are in that good position, I think there are some risks.

The other risk that falls out of this is that there were some very unforeseen consequences of the 1985 Act. None of those was addressed until the next Act that came along in 2000. Here we are, using a 2017 legislation tool for every bus service up and down the country by this time next year. To my knowledge, and from conversations with Government, there is no plan in place, if any unforeseen consequences emerge, so that we would be able to make legislative changes or fluctuations at this time. They are things that we need to be very mindful of, in our view.

Q64 **Robert Largan:** Councillor Broadbent?

**Cllr Broadbent:** Frankly speaking, I think we are not coming from a position of strength. We are in a fairly fragile position, given what I said about the nature of lots of our routes. Clearly, we are trying to increase that strength through the enhanced partnership with operators. There is a network review under way. We are trying at least to keep the services that we have running. I mentioned earlier that we are trying to improve the experience through agreements on the passenger charter and what we can do to further expand the e-ticketing options.

Given that we have low frequency, long journey times and a high concession rate, as I mentioned earlier, operators are clearly looking at



where funded opportunities exist. It is worth me saying, Chair, if I may, that my worry is that, when the BRG funding goes later in the year, they may be in the position of having to shrink further our route provision. Of course, we are continuing with our funding on route support and the like, but we do not have spare capacity for that. We are operating our enhanced partnership in a much more difficult context than the people either side of me.

**Robert Largan:** Thank you very much.

Q65 **Chair:** Enhanced partnerships are not new. It is just that they are now an absolute requirement. When they were optional, I believe only one local transport authority actually took advantage. I think that was Broxbourne.

Councillor Page, you are putting an enhanced partnership in place effectively with yourself, because it is a municipal. Would you have done that by choice?

**Cllr Page:** No. The enhanced partnership involves representation from other local authorities as well as the bus operators. We have had those relationships before, so we are not talking to ourselves. As I emphasised, we require assistance from Wokingham, West Berkshire, Oxfordshire and to a lesser extent Hampshire to deliver our park and ride aspirations.

Q66 **Chair:** Given the positives that you have just listed, to put me back in my box, why did you not do it when it was optional?

**Cllr Page:** We have had those relationships, but we never had any funding opportunities.

Q67 **Chair:** I know you had the relationships, but why didn't you put an enhanced partnership in place when it was first devised, and it was down to LTAs as to whether they did or did not?

**Cllr Page:** It was not necessary. We already had those relationships. The EP approach is what the Department requires us to formally—

Q68 **Chair:** What I am trying to say is, do you actually regard it as a good use of your time now that you have to do it, because before you could have done it but didn't?

**Cllr Page:** We were doing it, but under a different guise, Chair. That is what I am saying. The relationships and the work was already happening, but perhaps not under a badge of EP. All we are doing now is moving that work under the EP heading.

Q69 **Chair:** It is a pretty straightforward process for you, on that basis?

**Cllr Page:** Not straightforward, but it is easier than in many other areas. Can I make one important point that has not been made?

Q70 **Chair:** Very briefly because I am already eating into Simon's time.

**Cllr Page:** The EP is already identifying problems that involve the Competition and Markets Authority, which I hope that at some stage your



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inquiry addresses. The CMA is already indicating that it does not like, and will not support, some of the ticketing and fares initiatives that are a fundamental part of the EP, and which the DFT supports. The CMA is now saying, "Oh no." Our evidence to this Select Committee refers to that. We will require further legal advice, and that could be a delaying element and could be highly costly. Until the DFT gets the CMA properly aligned and gives us proper guidance, there will be that concern, and I would suggest in other areas as well.

**Chair:** Excellent. Thank you.

**Pete Bond:** Chair, could I concur that we are in the same place and we are doing those same things.

Q71 **Chair:** On the CMA point?

**Pete Bond:** Yes.

Q72 **Chair:** Why don't you get the LGA to do the legal advice rather than you individually spending money on it?

**Cllr Page:** You can ask David Renard that question in a minute.

**Chair:** I will.

**Cllr Page:** It is a serious issue, and one that our officers are flagging up. It could be a curve-ball that has not been anticipated. The DFT should have anticipated it because it has been a long-standing concern.

**Chair:** Excellent. Thank you. Despite my pointless questioning, you actually gave us some great evidence. I hand over to Simon Jupp.

Q73 **Simon Jupp:** Never pointless, Chair. Good morning to the panel. Imagine for a second that we found the magic money tree that all politicians want to find, and there was an innovation that you really wanted to introduce to help your residents. It could be smart ticketing, demand-responsive transport—the modern Dial-a-Ride, for want of a better phrase—bus lane infrastructure and stuff like that. What would be the one innovation that you really want introduced for your residents? Peter, I will come to you first.

**Pete Bond:** If I had to pick one innovation, it would be around the delivery of the integrated ticketing element to support all elements of the wider integrated network.

Q74 **Simon Jupp:** How much of a nightmare is it to do that in your patch? Is it very difficult to achieve?

**Pete Bond:** There are incremental steps. There is the difficulty of the multi-operator element. While we have achieved that around the contactless card called Swift, we have not yet achieved it around the contactless bank card. That is a journey yet to go through.

Then there is the multimodal approach. This is an area where we are working closely with Government because the Government's ambition is



to work on rail proposals, which are distinctly different from the ones on bus. We are trying to make sure that we get to a place where the outcome of that can work right across all modes. It is not easy, but we are in a good place where we are negotiating quite closely with Government about how we can develop the kind of brokered solution that can then be rolled out to other areas as well.

**Q75 Simon Jupp:** How far away is that dream of yours at the moment?

**Pete Bond:** A colleague of mine has been working very hard on it. We think that, for the final outcome, it would be two to three years at best to drive everything forward. That is where we think the timing sits, but there are potentially opportunities to speed up some of that.

**Q76 Simon Jupp:** Steven, the same question to you. Is there any particular innovation that you think would be really beneficial for Buckinghamshire?

**Cllr Broadbent:** In our urban areas the ticketing for connection to other modes would be key. Overall, of everything you listed and we mentioned, DRT and doing it on a green fleet would be the best. The biggest barrier we have is lack of availability in the first place. A massive expansion of that to make buses a realistic alternative would be what I would propose, out of everything. The technology exists. It does not need to be magic; we just need to make it available.

**Q77 Simon Jupp:** Is that something you can see as realistic for the next couple of years? Are you as optimistic as Peter that you will have your wish in a couple of years?

**Cllr Broadbent:** We have the two schemes, so I am optimistic that they will at least give us some evidence to work from. Yes, I am sitting here in a warm glow of positivity and hope that, on the basis of that, it might be a way forward, recognising that the network itself is an expansion of funding to run empty buses. Clearly, no one would want to do that, but if we can match supply and demand and make it a viable option for people I think it could be deliverable.

**Q78 Simon Jupp:** The same question to you, Tony.

**Cllr Page:** Completing our mass rapid transit and park and rides around the borough to improve air quality. The other thing both in the borough and nationwide—it has been mentioned already—is a mass campaign to get people back on to public transport and reassure them that it is safe. That is the real problem. The Department needs to deliver on its commitment and get that moving. Particularly among elderly people, there is still a lot of concern, which is why we are not seeing take-up of concessionaires, irrespective of how the scheme is funded.

It would be public reassurance via social media or whatever. If you could do that tomorrow, it would be of enormous benefit to those of us—

**Q79 Simon Jupp:** You went for two, which is against the rules, but—



**Cllr Page:** Yes, sorry.

**Simon Jupp:** I will let that go. What does your rapid transit option look like? I know, for example, that in Bristol there is the Metrobus, where they have specific lanes across the city, built across existing road infrastructure. Is it similar in Reading?

**Cllr Page:** It would be a mix of both. We are looking at a conventional park and ride, with dedicated bus lanes and corridors that could then be moved to light rail or driverless pods or buses. It is having key infrastructure in place that can then develop as technology develops. People have to be offered a fast and reliable journey from the perimeter of any town or city so that they will make that modal shift.

Q80 **Simon Jupp:** That must be quite challenging, though. Reading is fairly compact. It must be quite difficult to keep buses on that dedicated infrastructure. The worst thing that could happen, and the issue that Bristol and other cities have, is that the bus is on dedicated infrastructure for a portion of the journey, and then it joins the rest of the traffic and gets stuck at key points, making it altogether a little bit pointless.

**Cllr Page:** Our BSIP addresses that point and completes some key links. Those are priority schemes. We work with Wokingham and deliver. All the park and ride sites that we have, and have planned, are outside the borough and require the support of adjoining authorities to deliver them, which is why the enhanced partnership discussions, under a different name, took place before and why it is so important to build on those relations. You are absolutely right that it is key. The bus is not the sexiest of vehicles. Trains have a somewhat higher image. Bus travel needs to be made more comfortable and sexier, and the infrastructure has to be in place to lend itself to add to changes in technology.

Q81 **Simon Jupp:** I cannot resist asking you how buses can become sexy. I am quite intrigued by that. How would you achieve that? In Bristol, for example, they made sure there was free wi-fi. They upgraded the seats on the Metrobus system so that they are very comfortable. What can you do to make bus travel aesthetically pleasing and more comfortable?

**Cllr Page:** We have adapted our fleet. The service we run to the university, our Claret service, has adapted buses with not only wi-fi but with seats that are arranged more like a nightclub lounge on top. There are not the other attributes of a nightclub, unfortunately. Certainly, in addressing that cohort, among students, it is very popular. It is an experience to travel on those buses. Minor changes of that sort can go a long way to encourage modal shift, along with the appropriate pricing.

**Simon Jupp:** I think I hear a visit to Reading for the Select Committee, with perhaps a session coming live from one of your party buses.

**Cllr Page:** We would be more than happy to host that, Chair.

**Chair:** Brilliant.



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Q82 **Mr Bradshaw:** Councillor Page, how have you achieved the second highest passenger numbers outside London?

**Cllr Page:** It is a long-term investment in bus priority. We have always attached huge importance to promoting public transport and have fought very strongly to retain ownership of the bus company. We have delivered more bus lanes per mile. We have reliability. It has been a long-term investment and it has paid dividends.

Q83 **Mr Bradshaw:** How do your fares compare with comparable urban areas?

**Cllr Page:** They are certainly not on the lower side. One of the initiatives that the BSIP proposes is some fairly radical reduction in fares. As you are aware, we are not allowed to subsidise fares other than through specifically tendered services. Having a very new bus fleet, as we have, had a costly capital programme and that had to be funded, but because the bus company was not required to pay dividends to shareholders—it was a social dividend we were looking to extract from the company in cross-subsidised services, perhaps slightly pushing the 1985 Act restrictions—that reinvestment was the social dividend that we expected and continue to expect from a municipal bus company.

Q84 **Mr Bradshaw:** What about reliability and driver availability? In my constituency of Exeter, for example, where we have Stagecoach as the main provider, my constituents have had a nightmare for a few months through lack of drivers, curtailed timetables and buses not turning up. It has been totally unreliable. Have you had any of those problems in Reading?

**Cllr Page:** Our terms and conditions are among some of the best in the country, which is reflected in the fares. When I was chair of the bus company about 20 years ago, we took a deliberate decision to up the terms and conditions and we have not suffered the predatory moves or losses that other bus companies have. That is obviously coming under strain now with inflation, but we recognise that being a bus driver is a demanding job in an urban environment. It is a skilled job. We invest a lot in training. We still have a waiting list of people wanting to be a driver for Reading Buses. That cannot be said for many companies, but it does cost. If you are going to invest in public transport, it comes at a price.

Q85 **Mr Bradshaw:** Councillor Broadbent and Mr Bond, you must look with envy at Councillor Page's ownership model and everything that it enables him to deliver.

**Cllr Broadbent:** I do not know enough about the ownership model to say that I am envious of it. I know that our operators have experienced some difficulties with driver recruitment. I think I mentioned earlier, alongside the passenger charter point, that it is about experience, and some of that was driver training.



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A big focus in our work with the operators is to make sure that investment has been made commercially in driver recruitment and training. If you will excuse the pun, we must not be asleep at the wheel. We do what we can to invest in the greater piece of attractiveness and desirability, allocating over £200,000 to Aylesbury bus station as it gets criticism, and so on. Our partnership is that we can influence that, and the commercial operators can influence what they can influence to go as far along the lines of the benefits as we can. I am comfortable with the fact that the operators are commercial entities, and then we play our role.

**Q86 Mr Bradshaw:** None the less, do you think it is reasonable of the Government to prevent you from adopting a municipal model if you wanted to, politically?

**Cllr Broadbent:** I don't know whether we would want to.

**Q87 Mr Bradshaw:** Should the Government prevent you and other local authorities and cities, or rural areas, from running their own buses, as happens very successfully in Reading, as we have heard?

**Cllr Broadbent:** I think through the national bus strategy and with greater delivery of more people put in BSIPs, we would not need to do that. The model as it stood with the council and the commercial providers can achieve those benefits.

**Q88 Mr Bradshaw:** Mr Bond?

**Pete Bond:** On the driving point, I was a bus driver myself for 25 years, and a bus driver in London for some of those. It is not an easy job. If you work in retail, you have customers to deal with and if you work on the road, you have other drivers to deal with, and a bus driver has both of those in heavy numbers in our part of the country as well. It is a challenge. There have been some issues around driver recruitment and retention. We are working very closely with the operators through our alliance.

In terms of our operating model, we are where we are. What we like to think as an authority is that we have worked very closely through the legislative provisions we have been given; the Department has reminded us in the national bus strategy that, while we cannot set up a municipal operation, we could buy one, if we were driven in that direction. Ultimately, we see the opportunities in front of us as trying to ensure that we utilise the framework and the governance that we have to try to drive the best outcomes from it. A lot of our aim is to get our desire and our vision to the kind of model that Reading is utilising. If I had been given two first wishes as well, infrastructure and our cross-city priority and integration would be absolutely up there. We have to utilise the tools we have and look with our operators as broadly as we can to try to get customer outcomes with what we have in front of us.

**Mr Bradshaw:** Thank you.



**Chair:** We should very briefly turn towards the current situation and the emergency funding, which is due to run out. We will go to Grahame Morris, first of all, and then straight over to Greg Smith.

Q89 **Grahame Morris:** We were all looking forward to the authorities that were successful, either in individual bids or joint bids, improving services, with more frequent services and services particularly to rural areas that did not have a decent bus service previously. Durham, my local authority area, was successful as part of a larger bid and secured £161 million. You can imagine my shock yesterday when I got an email from the bus company listing 78 services to be cut. I do not drive, so I rely on the buses. They are blaming reductions in demand because of the pandemic. It includes the 62 service that I get to travel to work every day, but anyway I will take that up with them.

Do you have a concern that the private bus companies are simply going to look at the additional sums that are being allocated through BSIP as a kind of cash cow that they can then access?

**Pete Bond:** Yes is the answer. It is one of the hardest challenges that I have faced in my 25 years working in public transport. The BSIP is for the transformation and the development of bus services in accordance with the plan that we have set out for our ambition. The bus recovery funding is to maintain existing services in terms of post-pandemic support. Here we are at a point in time when 20% of our passengers have not yet returned to the network. We are 20% short, and funding for the bus recovery grant is due to expire in October this year. We have a slight extension in the west midlands because we have the Commonwealth games, although it is still to be confirmed and agreed with the Government.

One of the challenges is ensuring that while we are trying to get across to people our objectives—better fares, better buses and better journeys—and deliver all of the infrastructure to support that and all of the ticketing requirements, we face a real danger that if we do not end up trying to ensure that we combine transformation with maintaining services in some way shape or form, come October this year for a lot of places, and January next year for us, we could see a significant reduction in bus services up and down our conurbation.

Q90 **Grahame Morris:** I don't think it is fair to ask Steve or Tony that question because Steve's authority was not successful and Tony's is a directly operated service. The private sector, or rather a municipally owned company, would not withdraw their existing services in order to access the additional indicative funding.

**Cllr Page:** No, but they have a problem. There is a short-term interim problem. They have to balance their gaps, and there is a gap. In our case we are running at 72% of pre-pandemic. They have to make some changes to services, invariably downwards. If you go from five buses an hour to four buses an hour, you could argue that it is not particularly critical, but it is still in the wrong direction at a time when you have a pot



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of money that is promising improvements. There is a real cliff-edge situation emerging.

Q91 **Grahame Morris:** I understand that. One of my colleagues is going to pursue that in a moment. Tony, you mentioned how we encourage bus usage back to pre-pandemic levels, particularly among concessionary passholders. You suggested that we need a Government information and mass media campaign as we have seen with the railways. Is there anything else we can do?

**Cllr Page:** I think that is particularly important. Indeed, the Department's response to this Committee, which I was looking at, talked about wanting to see a campaign. My understanding is that the Confederation of Passenger Transport put details of the campaign to the Department last autumn and they turned it down. We need some clarity around it. They were talking about a £10 million campaign. It really is essential because there is still the view among many people that it is not safe to travel on public transport.

Q92 **Grahame Morris:** Steve, can I just mention something that is a real bugbear, because I use buses? It is the availability of accurate, real-time information. Do you have that in your area, because I certainly don't?

**Cllr Broadbent:** We have it in certain parts of the area, but certainly not so much in rural areas. Part of our bid was to improve messaging overall.

Q93 **Grahame Morris:** Is part of the offer to attract more people knowing that there is a reliable service and what time the bus is going to be there?

**Cllr Broadbent:** Yes. Frequency and reliability are two of the biggest concerns in making that behavioural change. The messaging that would come from a national campaign, were it to materialise, is about the fact that it can be relied on. We have to remember that, as you said, people are travelling on your 62 to work. There has to be certainty that making that switch does not create further problems for you in your daily life. The benefits of travelling by bus need to be accentuated, and reliability is key to that.

Q94 **Grahame Morris:** Very quickly, Pete, is there anything that you or your authority can do, apart from lobbying nationally, to encourage more members of the travelling public to return to the buses?

**Pete Bond:** Absolutely. It is looking at how we deliver the campaign and actually how integrated it needs to be around the wider transport piece, and not just a campaign about buses or a campaign about trains. How do we get everybody back on the network?

**Cllr Page:** With fuel prices going as they are, there is the opportunity now to incentivise people to try the bus. It is safe, it is an alternative and it can save you money, along with your admirable road-pricing proposals, by the way, Chair.



**Chair:** Very kind of you, Councillor Page.

Q95 **Greg Smith:** The ending of recovery funding was teased out there in some of Grahame's questioning. Can I dig a little deeper on that? What is going to be the impact of that in your respective areas, particularly for you, Steve, with the differential between urban and rural services? The cost of fuel was just brought up. That does not just affect private road users; it affects bus companies and hauliers as well as everybody else.

Driver recruitment problems came up earlier in the session. I know that particularly in the coach sector they have lost a lot of drivers to HGVs, where it has become more attractive because higher salaries can be offered. What are the impacts of the end of recovery funding, and what are the other factors that are playing into it not being a particularly rosy picture for some bus operators right now? I will start with Peter.

**Pete Bond:** It presents some real concerns. The Covid recovery has been about Covid and loss of passengers, and how you get them back. We have actually now been hit with a whole series of challenges that are affecting the industry more widely than that, as you say: wages, fuel, staff retention and all those other points.

In our area, to give you an example, we saw the withdrawal of the six most marginal services in the proposed withdrawal in December. Those six most marginal services impacted 43,000 passengers per week. It was absolutely huge. There was a whole flurry of activity to try to mitigate that. The mitigations are not best in class. We ended up with hour-and-a-half services, and those types of things, which, ultimately, will be a road to decline and removal.

It is about how we identify the challenges. The big issue we have is that not only do we have that 43,000 times 10 coming towards us if we do not see recovery, but we have to work with the bus operators to try to ensure that we understand what the impacts are of fuel and other things, and what approach needs to be taken.

We would like to see some closer work with Government now as well, to try to ensure that we understand the future framework of the implications of that and what potential mitigations we can start to think about between us.

Q96 **Greg Smith:** To be really clear, are you familiar, for the operators you work with, about the average margin they are working on? Minus the recovery fund money, and if you add increased fuel and wage costs, how many of those operators have seen any level of profitability wiped out, or how low below profitability have they gone or will go?

**Pete Bond:** At the moment all of this is broadly in the mix of all of the other funding elements through the English national concessionary travel funding and everything else. We are seeing those squeezed. We know from conversations with them that we are not looking at some of those operators being wiped out, but we think it will start to impact the viability



of some of the more marginal services. In our words, they might carry good numbers of people, but they will not be deemed commercial in bus operators' terms because of increasing costs. The risk to us is that, all of a sudden, a service does not become commercial but is still carrying a lot of people and moving them about.

Q97 **Greg Smith:** Understood. Steve?

**Cllr Broadbent:** I mentioned earlier the fragility we are operating within. Removal of the BRG money without future certainty of whether there will be any more will mean, in frank terms, that operators look at a reduction in routes and/or frequency. I have outlined that there is not a great deal of frequency on a lot of our network, so that is why it concerns me.

On that point, I know of at least one operator who, in the end, did not even bid to BRG because of the amount of administration time and effort required when they were under pressure during those periods. Pete has outlined that this is not just about whether you can run a bus at a certain time. It is what that represents to the people who use it. In many areas in our towns, it could be servicing some of our most deprived areas. In rural communities, it may only be twice a week but it is a lifeline to the outside world. If that goes, as I think was mentioned earlier, the increased rural isolation concerns me.

I do not think funding can cover everything. The operational challenges of recruitment, retention and what the package looks like are for the operators to deal with, as they would be in any business, but there is a bit of a perfect storm of issues that have happened that have been drawn out. If that funding goes, as we expect it will, the impacts are what we are dealing with day to day now. If there is any prospect of alternative funding, to be a resilience grant rather than a recovery grant, it would need to be said early. We lost some services even with the late decision. I had cause to write to Baroness Vere about it. We lost services with the late decision to extend the funding in the first place, so we should definitely not repeat that exercise. There needs to be very clear messaging on it.

**Greg Smith:** Thank you. Tony?

**Cllr Page:** I agree with those comments. I would make the point, though, that the large groups particularly have hedged in terms of fuel. The impact can be absorbed for a short time. It depends on how long the very high prices are maintained. For smaller operators, such as us, it is more of a challenge. The big hit, as I was saying earlier to Mr Bradshaw, is for those of us with good terms and conditions. The impact of the undertaking is still staff costs, wage costs and the pressures that are mounting on that front. Fuel is an important element, but it is not the critical one for us.

Q98 **Greg Smith:** I appreciate that fuel is not the critical one, but fuel is the one that we probably visibly see rising at the moment. The road haulage



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sector, for example, is asking for an essential user rebate. Do you think that a similar scheme across bus operators would be a good alternative model—Steve talked about a resilience funding model—on some sort of multiplier, depending on where the crude oil spot price is at any point, or is that not going to touch the sides to save the sector?

**Chair:** Perhaps we could just take one answer.

**Cllr Page:** I will pass on that. The funding arrangements for the big groups and the smaller groups vary enormously. You might argue that you are almost being penalised for advanced planning, or the reverse. You have not planned well enough ahead and the Government come along and support you.

**Cllr Broadbent:** I think you said it was the big groups that had the financial resource to be able to do that. I would argue that our operators are concerned over uncertainty. Something akin to what you are mentioning, Greg, would help provide some certainty. It would help with their business plans, recruitment, investment or whatever to know that a route can stay because they will not be operating at a greater loss. I think it should be looked at.

**Greg Smith:** Thank you.

**Chair:** Thank you. Mr Bond, Councillor Broadbent and Councillor Page, thank you so much for all of the evidence and the time you have given us this morning. We wish you a good rest of your day.