

# Transport Committee

Oral evidence: [Buses connecting communities](#), HC 494

Wednesday 14 May 2025

Ordered by the House of Commons to be published on 14 May 2025.

[Watch the meeting](#)

Members present: Ruth Cadbury (Chair); Steff Aquarone; Dr Scott Arthur; Catherine Atkinson; Mrs Elsie Blundell; Katie Lam; Alex Mayer; Baggy Shanker; Rebecca Smith; Laurence Turner.

Questions 205–306

## Witnesses

[I](#): Simon Lightwood MP, Minister for Local Transport, Department for Transport; and Stephen Fidler, Director for Buses and Inclusion, Department for Transport.

Written evidence from witnesses:

– [Department for Transport](#)

## Examination of witnesses

Witnesses: Simon Lightwood and Stephen Fidler.

Q205 **Chair:** Welcome to this morning's evidence session. This is the final evidence session of our inquiry into buses connecting communities. We will be putting questions to the Minister on the effectiveness of Government efforts to improve bus connectivity in non-urban areas of England. We will explore various topics, including funding, reforms to local powers and support for alternative service models such as community transport and demand-responsive transport.

Could you both introduce yourselves, please, starting with the Minister?

**Simon Lightwood:** Good morning. My name is Simon Lightwood. I am the Minister for Local Transport.

**Stephen Fidler:** Good morning. I am Stephen Fidler. I am director for buses and inclusion at DFT.

Q206 **Chair:** Welcome. Minister, the Department stated in your written evidence to the Committee that bus services are "not delivering for passengers across England". What, in your view, are the reasons for that?

**Simon Lightwood:** First of all, good local bus services are an important and essential part of a prosperous and sustainable community. They will play a crucial role in delivering the Government's missions, including on economic growth. As you said, Chair, they have not been delivering across the country.

We inherited a really difficult situation, where bus journeys had been in decline for a number of years. There were something like 300 million fewer bus journeys between 2010 and 2024. The sector faces four key challenges. There were reduced passenger numbers following the pandemic. We are up to something like 90% of fare-paying passengers who have returned to the network, but only 75% of concessionary have returned to the network. We have higher costs in wages and fuel. We have to recognise the lower levels of local transport authority support and their ability to fund services that are classed, at times, as not commercially viable. Of course, increased congestion also plays a really important role because ultimately it slows down our bus services and makes them less reliable. That erodes trust. People do not use the bus but go to their cars and we end up with a vicious cycle of decline. Overall, all those factors, put together, have resulted in what I see as a significant decline in trust by passengers that the buses are going to turn up and get them to the place that they need to be, and will be accessible and frequent. That is our fundamental challenge, going forward.

Of course, coming into government we have not wasted any time in getting stuck in on the issue, with our ambition to grow bus services. We legislated back in September to expand the ability for all local transport



## HOUSE OF COMMONS

authorities to explore franchising. We published revised guidance on franchising to all local transport authorities in England. Very excitingly, we introduced the Bus Services (No. 2) Bill, which is now entering the House of Commons.

We started to reform how bus services are funded. Local transport authorities say to me all the time that they need greater certainty when it comes to funding. There has been lots of cliff-edge funding in the past. We are looking to outline how we fund day-to-day spending plans over the next three years, and then capital investment plans over four years. We have already shown our commitment to reforming funding. The 2025-26 funding that went to local authorities combined both the BSIP and the local authority BSOG element in one bus grant. We have already made significant steps, but the challenges are very real.

**Q207 Chair:** Thank you; that is a very full response. Our questions will cover the issues that you brought up. I want to touch on where you started, with the Government's growth mission. Evidence we have heard in our inquiry suggests that out-of-town areas have suffered the biggest decline to their bus services. What works for Manchester may not work for Norfolk. How will the Government's implementation of their missions benefit bus provision in the underserved areas?

**Simon Lightwood:** It is important that we recognise that there is no one-size-fits-all approach when it comes to fixing our buses. That is why we introduced the bus services Bill, which is designed to give local leaders the tools and the flexibility that they need to put interventions in place. I believe firmly, as do this Government, that it is local leaders who should be empowered to make those interventions. It should not be dictated by national Government, somebody sitting in Westminster or Whitehall. It should be local leaders, who really understand their community. They understand the social and economic challenges in those communities.

Our job is to empower them with the tools, and indeed the funding, to tackle that. That is exactly what the Bill entails, not only through franchising and the various models, but through lifting the ban on what used to be called municipal or local authority-operated bus companies. It will also further strengthen the work of enhanced partnerships. We have a support programme that we have continued to work on. We have something called the Bus Centre of Excellence. For members' information, we will be holding a conference on quality rural bus services in July. Chair, you will of course be getting an invitation to attend. That will explore our plans and how they can particularly benefit rural areas.

**Chair:** We will be probing on the distinction and capacity and capability of different types of local authority area.

**Q208 Steff Aquarone:** Minister, it is good to hear about the importance of empowerment of local leaders, but that does not necessarily mean that they have the ambition for this that you sound like you have. Certainly,



## HOUSE OF COMMONS

when this Committee sought to find a place to visit—to catch a bus, let alone talk about buses—we had to go to Ireland. We were very impressed by their level of ambition and particularly the Government's ambition to plug gaps in the network and increase service frequency. That is quite often forgotten when we talk about bus improvement. If people can get a bus to where they want to go at the time they want to go, they are more likely to use it. All the other problems that you have alluded to go away when there is increased demand for services. Specifically on ambition, do you have similar ambitions to our colleagues in the Republic of Ireland, or do you plan to leave that part up to local authorities too?

**Simon Lightwood:** Ireland's approach is really interesting. They are tackling similar issues to us when it comes particularly to the challenges in our suburban towns. That being said, obviously we cannot directly transfer their experience to England. There are geographical and population differences. Ireland has 5.5 million. We are talking 55 million or 56 million here in the UK. They have a much more centralised system in Ireland. They also have a state-run bus operator.

We can, of course, learn from other areas. We have been doing that to identify various models of franchising that we can explore. I was in Jersey a couple of weeks ago. They are doing a fantastic job there. They have had franchising for quite some time. From memory, their latest contract started in 2013. They have seen something like a 47% increase in passenger numbers, which is significant.

I think that local authorities share our ambition for buses.

Q209 **Steff Aquarone:** Norfolk doesn't. Norfolk is a car county. That is what their leader told us three years ago.

**Simon Lightwood:** This is about going back to the fundamental point at the beginning, about how we restore trust in our public transport and how we incentivise people to leave their cars behind. As I just mentioned, in Jersey—I will check the numbers—north of 55% of people have cars but decide not to use them at peak times because the bus is easier and more reliable.

Local authorities generally have great ambition. Our job, obviously, is to make sure that we give them the tools and the funding to deliver that. They will reap the benefits, ensuring that people are able to get to well-paid jobs, access education or reach their NHS appointments.

Q210 **Steff Aquarone:** I very much hope you can inspire that ambition to be shared across our rural communities. That is clearly a job in itself. Of course, the backstop to ambition is a minimum level of service requirement. Can either of you tell us about the Department's view on introducing things like a guaranteed minimum service level for buses in areas that are underserved?

**Simon Lightwood:** I do not want to dictate from the centre or take power away from communities. We need to give local leaders the power



to shape their services. By dictating, you can almost miss the opportunity for things like community transport or demand-responsive transport by automatically making the assumption that the bus is always going to be the best means. Often, some other forms can offer a better service and more value for money for passengers. That being said, Members will be aware that there is an element within the bus services Bill that asks local transport authorities under an enhanced partnership to identify socially necessary bus services. That is about ensuring that the passenger is at the heart of everything that they do so that, when there are considerations to change or cancel bus services, we consider the impact that that will have on the community and on passengers, and every possible effort is made to mitigate the impacts on communities—for example, by looking at community transport or demand-responsive transport.

**Q211 Steff Aquarone:** I appreciate that, and in a moment we will come on to giving local authorities the power to decide what a socially necessary route is, but are there other mechanisms you intend to use to support local authorities to improve connectivity?

I will challenge you on one of the things you said, if I may, Minister. I get that you want to give power and autonomy to local authorities, but there is some widely regarded social science around what makes a service viable in terms of frequency. I get your point about modal choice. That needs to be done at local level, and I wonder if I could bring us back to that. How do we make sure that the ambition is cascaded into communities and that the agenda—we are interested in your level of enthusiasm for it—makes it out into the field?

**Chair:** Particularly in areas where bus services don't seem to be a political priority for the local leadership. Devolution is great, but there are big differences in approach. Steff has shown us an example from Norfolk. The thing about Ireland is that there was a national focus on significantly improving rural bus transport across the whole country. How do you deal with those distinctions in different political priorities?

**Simon Lightwood:** We talked about the Bus Centre of Excellence in terms of getting individuals together to share best practice. We are incentivising that through our consolidated funding to local areas. We are setting a really high ambition with the public for better connections to places that people need to get to and for reliability, which you touched on, with faster and more integrated transport. Passengers must feel safe as well, obviously, on all parts of the journey. It is about empowering passengers in terms of information. Stephen, do you want to come in on the extra incentives?

**Stephen Fidler:** There are a couple of other things. First, the funding reform that the Minister talked about a few minutes ago was very much designed by moving to a formula approach which gave people a degree of certainty based around their need for a service. It is a better reflection of rural areas and their needs going forward. Hopefully, when we come out



on the other side of the spending review—we obviously cannot pre-empt that—we will be in a position to give forward certainty, which will help with some of the planning.

Alongside that, with devolution comes the importance of transparency around local decisions and accountability. One of the other areas we are working on at the moment is a common set of outcomes for passengers—the things that, exactly as you are saying, really matter to passengers about services. We would like to understand that and have it publicly available on a transparent basis across all the local transport authorities, so that there is the ability for local accountability—how one particular authority is doing compared to another, how they are using the funding and what choices they are making. We are starting that work with some of the wider authorities at the moment, but if you look at the integrated settlements—I know it is not a rural context—for West Midlands and for Greater Manchester, we have quite a wide set of indicators there that relate to bus. Those are exactly the kind of areas, focused absolutely on the social science around what matters for passengers and what drives growth, that we are looking potentially to extend elsewhere.

**Simon Lightwood:** Our guidance to local transport authorities is very clear. When they are looking at the transport network, they should look at the whole transport network, including rural and suburban areas, and not just the urban areas.

Q212 **Steff Aquarone:** To be clear, when you talk about transport authorities, you mean combined mayoral authorities.

**Stephen Fidler:** We are talking about all local transport authorities. At the moment, it is in place for the integrated settlements, but we are looking to roll it out on a pilot basis this year and then into our future funding regime for elsewhere as well.

**Simon Lightwood:** There is an outcomes framework which we have already agreed for places like Manchester and Liverpool. We are trying to use that same model when it comes to other local transport authorities.

**Steff Aquarone:** To be clear, we are focused specifically on non-urban areas in this inquiry. We are very keen to hear, in particular, how that works as we go forwards. I am in danger of running into other people's questioning areas, so I will leave it there. Thank you both very much.

Q213 **Baggy Shanker:** In your written evidence, you refer to rural franchising pilots. What are the main questions and issues that you are trying to tease out and explore through these pilots?

**Simon Lightwood:** There is an assumption when you think about franchising: people automatically turn to the Manchester model. I think we know that that is not necessarily, or most probably is not going to be, the model that all local transport authorities are able to adopt, which is why we are looking at different areas. We are looking internationally as well. The Jersey model is an example. There are models which include



demand-responsive transport and others that share the risk a little bit more. Stephen may want to go into a bit more detail about some of the models that we have been exploring, particularly from a rural perspective like Jersey.

**Stephen Fidler:** I am very happy to. There are three or four different models that are in our mind at the moment. A really important point is that this is our thinking from within the Department, having talked to colleagues and looked internationally. What we really want to do is work with some real authorities in some real places, based on the real situations that they are facing, to develop these further and make sure that they work in a rural context here.

The kind of thing we have in mind is growing a franchise network out of your existing tendered services. If you already have a lot of tendered services, it is about making them properly integrated with the rest of the network so that you do not necessarily have a big bang, overnight approach, as in Manchester. It feels to us like something that could be done on a much more transitional basis with the kinds of skills, resources and capability that an authority has. The Minister talked about the Jersey model. There are also options where you could, potentially, use it to make sure that DRT is a key part of your service and that you integrate it far more effectively with fixed routes. It is one network, and franchising is a tool that allows you to influence that, with some commercial input and some authority leadership.

The extreme end of the spectrum is what we tend to call micro-franchising, which is about not doing a whole area but dealing with a specific problem in a specific place, to make sure that you solve that local problem and come out with the right kind of bespoke solution. We are keen that we develop models that work for the skillsets and the context of more rural authorities.

Q214 **Baggy Shanker:** You mentioned Jersey. Are there any specific parts of that model that you think could be used in England?

**Stephen Fidler:** Yes, absolutely. There are three or four things I would pull out. The first for me would be around the commercial input. Rather than the local authority saying, "I want this service to run from here to here," the way Jersey went about it was that they had a reference network, but, ultimately, they drew on the commercial skills of an operating partner once they had awarded the contract. They then set up a mechanism through, in that case, a profit share where everybody's incentives were aligned to drive the right outcomes. They are really focused on what connectivity they need, and they draw on the commercial skillset to actually help them deliver that. There is a bit of flexibility. I referenced a fixed route bus service, with DRT and potentially even a taxi at the extreme end of the solution. It is very much an outcome, passenger-focused approach rather than, "We're the local authority and we absolutely know how to deliver transport services in detail." It is really interesting. There is quite a bit of flexibility as well as





accountability in that system, with the operators. Everybody is aligned and pointing in the same direction.

Q215 **Baggy Shanker:** Finally, when do you think the evaluation of the pilots will be published?

**Simon Lightwood:** These pilots are not about creating a report, in all honesty. This is about creating practical tools for local transport authorities. As and when we create those learnings, and develop those understandings, we want to share them in real time with local transport authorities through things like the Bus Centre of Excellence. Once the pilots begin, we will begin evaluating them instantaneously. We will continuously do that and continuously feed it into local transport authorities so that they are able to benefit from that insight as soon as possible.

Q216 **Rebecca Smith:** This could probably come in under several of these questions. Obviously, the ambition is laudable in terms of the rural franchising piece. Jersey sounds like a great example. It is an island, so there is a limit to how many routes are going to be necessary, based on where people live. Segueing from that, all of this work is being done at the same time as local government reorganisation is taking place, where some urban areas are seeking to expand into rural areas. Urban areas already don't have enough service, let alone providing it to the rural areas as well.

What conversations are you having about LGR and how is it actually applied to that? All of it relies on a critical mass, and if there isn't a critical mass in those rural areas—I appreciate what you are saying about community transport and things like that—how are you going to make sure that, where there is no commercial viability and the LGR boundaries are changing, the bus franchise model will overlap with that? Where I live in the urban part of Devon, we already have commercial services, and they only run where there is the need. It is a rounded question on the LGR piece particularly.

**Simon Lightwood:** The powers that we seek to give local authority leaders allow them, under things like franchising, to look at the whole network. That includes urban and rural areas. Often, urban routes will be more profitable and they are sometimes able to offset the less profitable routes in rural areas, which is really important. Obviously, there can be instances at the moment where there are cross-border issues. Fundamentally, as a result of local government reorganisation, there will be fewer boundaries. There can be a consequence of that. Large authorities can often mean more resource when it comes to bus teams, for instance. They often have more capability and capacity as well.

**Stephen Fidler:** It is entirely possible to do a franchising scheme or a partnership across multiple areas. We are very alive to the strategic authority and local government reform issue. If there is an area where there is appetite among the constituent authorities, we are trying to build





into our thinking how we could work collectively with them so that that is not a blocker, but it obviously poses some challenges in terms of not knowing what the leadership of that authority may be. In some places, that may mean decisions have to come a bit later, but that is not going to stop us cracking on with people who are ready to go.

**Simon Lightwood:** This goes back to the pilots as well, and making sure that the range of pilots that we are doing includes high rural areas and bigger geographies or areas with fewer people. Again, when you look at Jersey—I know we have laboured the Jersey point—they managed to achieve it on three to four officers. That is in stark contrast to the scale of the work that had to be done in Manchester. We are very much looking to make sure that the pilots that we do help inform a wide variety of areas and different contexts.

Q217 **Katie Lam:** We have heard different views from people on the viability of rural franchising. What are your thoughts on rural franchising, and what are the main challenges that you anticipate?

**Simon Lightwood:** Some of the main challenges in rural areas are around passenger numbers, obviously, and the commercial viability of those services as a result. Empowering local leaders to take control of those services is fundamental. We have talked about the pilots that we are doing, specifically looking at rural areas as well. There is the bus grant that has gone forward, in a change to previous funding rounds, which tended to be on a competition basis where people were all fighting for a finite pot. We did it on a fairer formula model, which will particularly benefit smaller suburban and rural areas who tended not to get money in the previous context.

**Stephen Fidler:** I agree. We talked about the size of the teams. That is exactly why we are looking at some different models, in part. There is also possibly something around making sure we have something that works for some of the SMEs in a rural context. There is something about learning from the experience that authorities already have of tendering networks, and not necessarily thinking about franchising as fundamentally different. At the end of the day, it is ultimately a way of delivering service contracts, in the same way as you would a tendered network today. We want to work with some of the smaller operators as well as some of the local authorities in that context, to make sure that whatever models we work up with them actually work for the kind of bus market that is already in place in those rural contexts.

Q218 **Katie Lam:** If it were a blunt yes or no on whether you think franchising works in rural areas, some of the witnesses have basically said no, but it sounds like you are saying yes, or maybe or sometimes.

**Simon Lightwood:** I think it can. That is why we are doing the pilots: to make sure that we have models that can work for all cases. In all honesty, I appreciate the geographical restrictions in Jersey, but it has rural areas. That is a great example of where you can achieve franchising



## HOUSE OF COMMONS

with a small number of staff, and because of profit share, working with the local provider, you can benefit from commercial experience and skills as well, to supplement the work done in the LTA. Obviously, we recognise that there can be challenges when it comes to capacity and capability. We have given funding that should cover at least one extra bus officer. That model will enable rural areas and smaller authorities to achieve franchising. That is what we are looking to test with the pilots.

**Q219 Chair:** Jersey is somewhat smaller in area than some of our rural areas, like Norfolk.

**Simon Lightwood:** Indeed.

**Katie Lam:** And Kent.

**Simon Lightwood:** Yes.

**Q220 Dr Arthur:** I want to start with a question about Jersey before I go to what I was going to ask. Steff mentioned Ireland. We did not have to go to Ireland to see a fantastic bus service. We have a publicly owned one in Edinburgh which reaches right into the rural areas. I have to give a shout-out to Lothian Buses.

Simon, you dismissed talk of Ireland by saying that it is a much smaller country than England. Jersey is not the same size as England, though, is it? What is it about Jersey that makes it a good comparator, when Ireland is not a good one?

**Simon Lightwood:** I don't dismiss it. It is a different approach, obviously. It is a different context. There is a much more centralised approach in Ireland. As I said, they have their own nationalised bus service there as well.

**Q221 Dr Arthur:** A nationalised bus service is a good thing, isn't it?

**Simon Lightwood:** There is a degree of affordability there. Again, what is important to me is that we are able to empower local areas to make those decisions. That is important because there are differences in each and every one of our communities. It requires local knowledge and local connection with an area to achieve that.

What attracts me, and why I was so impressed with the Jersey model, is that it adds extra skill and extra capacity to a local transport authority. They set the vision. They set the contractual limitations, but then use the expertise from private providers to supplement their skillset and share the financial burden, if you like, but they get to share in the rewards as well. That means that when they get their profit share, they are able to reinvest it into bus improvement measures, and you start a virtuous cycle. I see that as a more accessible potential way of achieving franchising.

**Q222 Dr Arthur:** That is exactly what happens in Edinburgh. Lothian Buses profits come right back into the city, which is a good thing.



## HOUSE OF COMMONS

This line about empowering local leaders to shape services and, as you said, take control of services, is fantastic in a press release, but it does not really mean anything if local authorities do not have the funding to use those powers. Are they going to have sufficient funding to actually make a difference when they get the powers?

**Simon Lightwood:** We have invested something like £1 billion in buses just in 2025-26, and £700 million is going directly to local authorities to spend on whatever they see fit in terms of improving buses for passengers. In addition, we have a whole support package around how we support local authorities on enhanced partnerships and identifying the right model for them when it comes to improving bus services.

Q223 **Dr Arthur:** Is that level of funding sufficient to deploy the franchising powers?

**Simon Lightwood:** This is why we are doing the pilots. What is often quoted when it comes to the Manchester model is that there is something like £700 million to £1 billion. Our analysis is around £135 million. That took them a long time. It was complicated. They were the trailblazer, and good for them. They have shown what is possible. We have now done a lot of work on streamlining and making the process quicker, easier and cheaper, and there is also the support we are offering to local areas to support them through that process.

Q224 **Dr Arthur:** Manchester is always interesting because of the PR around it. You have to dig into the detail and see which things work and which can be transferred.

**Simon Lightwood:** Yes.

Q225 **Dr Arthur:** One of the challenges, operators say, in running a franchise service is getting data in relation to routes and, more importantly, passenger levels from existing commercial operators. Is that something you are considering obliging commercial operators to do—to share that data with authorities who are considering running franchise services? I know it is quite a sensitive area.

**Simon Lightwood:** No, not at all. Local transport authorities already have legal powers to request that data when they are considering franchising. That already exists. Operators are required by law to provide that data when authorities are considering that. Going beyond that now, in the bus services Bill, there are elements about data transparency. We are looking to create almost a consolidated database, which will bring elements of bus registration and the whole Bus Open Data Service—BODS—into one single database. That will allow local authorities to design their systems. It will allow the public to understand more about their bus services, including the real-time information that is really important.

As an aside, that goes some way towards our ambition of making our public transport network safer, as well as the perception of its being safer. People accept that buses are going to be late sometimes. It



## HOUSE OF COMMONS

happens. If they know that and they can see on an app that it is 10 minutes behind, they will say, "I'll leave the house 10 minutes later. I'm not standing at a cold, wet bus stop or a dimly lit bus stop." Data can be really empowering.

I went off on a tangent there, but going back to your original question, there is already a legal obligation to provide that data. We want to expand that further with our single database solution, which I think will benefit everybody.

**Q226 Dr Arthur:** Of course, in Edinburgh we already have live bus tracking data, apps and all the rest of it.

**Simon Lightwood:** What we need to do now is to put it in one single place. If you make it available, for instance, to Google Maps or Apple Maps, it is open for all of those issues.

**Q227 Dr Arthur:** Would that be in a consistent format?

**Simon Lightwood:** Yes.

**Q228 Catherine Atkinson:** I think this has been covered, but it is about consistency of data. If different providers are giving slightly different data, it is just not usable. In your plan for one central data sharing, would it require the same data from everyone?

**Simon Lightwood:** Absolutely. I think that increases the transparency. We are designing that database now. It will go out to tender and be in place in due course. I do not think this is going to add more burden on to anybody. The data is already commonly collected. As you say, often GPS data is collected already, and it is about putting it in a single location that you can then share in a consistent way.

**Q229 Catherine Atkinson:** Is there something slightly different, though, about other measurements? It is about not just when things are going to arrive, but looking at performance data as well.

**Stephen Fidler:** Perhaps I can come in on that. Things like punctuality data are all part of the thinking around the outcomes that matter for passengers that we talked about before. We are very keen to get that data out there very clearly and transparently on a local authority basis and on a regular basis across the country.

On the franchising point, that power exists, as the Minister said. You have to have done the formal notice that you are starting the franchising process before you can use the power at the moment. Partly what you probably heard from some of the previous witnesses was that people who are starting to think about franchising might not have the information at their fingertips now, until they have taken the decision that they want to look at it. That is a decision, "I want to look at it," not a decision, "I am going to do it."



There is a bit of work we need to do to make sure everybody understands that. As the Minister says, the wider data that we are making available will help provide that context to inform that decision. We already have the Bus Open Data Service, which has lots of that, but it is not comprehensive around things like registration data that will allow things like punctuality to be properly monitored everywhere on an automated-type basis. That is absolutely what we are working on.

**Q230 Alex Mayer:** Moving to enhanced partnerships, we have had mixed evidence. The Confederation for Passenger Transport called them “a valuable tool”. We have also had evidence that suggested they were no more than “goodwill documents”. Does the Department have plans to reform enhanced partnerships—for example, by allowing local transport authorities to subsidise services that compete with commercial services or to have further legal obligations to try to get operators to stick to agreed services?

**Simon Lightwood:** First and foremost, it is important to say that enhanced partnerships are hugely valuable in delivering better bus services. We have seen some great partnership there. They are a statutory partnership and certainly not just a piece of paper. If an operator in that partnership fails to comply with the local transport authority, there is the option to escalate it to the traffic commissioner. There are some teeth behind it as well, which I think is important as an incentive to actually make sure that happens.

As you are aware, following conversations with the previous Transport Committee, which recommended that we do a review of enhanced partnerships, that work is under way. Stakeholders generally look very favourably on enhanced partnerships. Some 96% of respondents said that enhanced partnerships fully or partly met the goal of helping LTAs and bus operators to work better together to meet their BSIP objectives. You have seen some great work in Devon. Norfolk has done some fantastic work. There are some low-cost ideas in places like East Sussex, who have put a QR code on every bus stop so that you can get real-time information.

I think they are performing well. The point of the evaluation is how we ensure that the learnings are shared to raise the standard across the board. There are less mature enhanced partnerships out there. How do we fast-track them to become more mature and deliver better results? Do you want to say a bit about the commercial side, Stephen?

**Stephen Fidler:** Yes, I’m happy to take that up. There are a few things we are doing that will help in that space. The power in the bus Bill about local grants will allow local authorities, should they want to, to use the money we have given to design a local grant that could be applied to all operators. You could say, for example, “We’re going to pay a set mileage for all services that support this kind of rural connectivity,” or whatever else. That would allow you to fund commercial and non-commercial services on a consistent basis. My personal view would be that,



## HOUSE OF COMMONS

ultimately, if you were looking to subsidise, effectively competing with commercial services, you would probably want to look at one of the franchising-type models and look at the system in the round, if that is the situation you find yourself in, assuming we succeed in making them suitably accessible and that it would work in your context.

One of the things we are doing through the review is absolutely recognising the variability that the Minister talked about, and that you mentioned, and thinking hard about what are the low and no-cost things, as well as the things that can be done, where there is funding, that make a difference to passengers. Focusing on punctuality and reliability does not cost a huge amount of money, but it does require leadership, focus and collective drive to take it through in a lot of circumstances.

There are things like that and things like marketing, ticketing and really making sure—as in that example in East Sussex—that the information at the bus stop is of sufficient quality. Everything we see from the Your Bus Journey data from Transport Focus suggests that those basics can really drive satisfaction. That is the kind of thing we are trying to get out of the review. It is about trying to lift that expectation on a more universal basis.

**Simon Lightwood:** The grant point is important. Local areas need to set grant conditions to incentivise the behaviours and changes that they want to see in their local area, which will be different across different geographies and areas of the country. Again, it is about another way of empowering them to shape and take control of their bus services.

Q231 **Alex Mayer:** In the bus services Bill there are extra rules, as you mentioned, to make sure that there is a list of supported services agreed by all parties, but that is only applicable to enhanced partnerships. It is not applicable to franchised services. It would appear that we are moving in the direction of more and more franchised services. What kind of safeguards do you think it is going to be necessary to put in place in franchised areas to deal with the same problem that you are sorting out in the bus Bill for EPs?

**Simon Lightwood:** Certainly, I take your point. In the bus Bill there are socially necessary bus services. The same kind of consideration is undertaken when a local transport authority is considering the move to franchising. They need to clearly demonstrate the benefit to the community.

I am minded to look again at whether the socially necessary bus service rules could be extended to franchises as well. It is a conversation that I have been having with Stephen because I think it could still be valuable that the public are at least aware. I think it happens anyway, but the public should be aware that when those changes are considered, passengers are front and centre of that. As a Department, and as a Government, the fundamental thing is that passengers are at the centre of everything that we do in public transport.





I am sympathetic to the point that you made; thank you for making it and for giving me the chance to say that on the record. It is something that I am going to look at and have those conversations about, to see whether we can strengthen that area when it comes to franchising so that they, too, have the protocols and processes to go through when it comes to socially necessary bus routes.

**Q232 Laurence Turner:** I want to press a little further on the review of enhanced partnerships, which I think we are expecting in the summer. Allowing for the fact that we will learn what is in the review when it is published, what, at this stage, would you say the main areas of findings are likely to be about how EPs can be improved? What do you see as the role of the central Department in encouraging, supporting or indeed compelling transport authorities and operators to carry those through?

**Simon Lightwood:** I am going to gracefully look at my colleague, who has been very close to the enhanced partnership review.

**Stephen Fidler:** We are still in phase 2 of the review. Phase 1 of the review was very much looking at the legislative framework. Everything about enhanced partnerships that is in the bus services Bill came out of that first phase of the review. We have things in the Bill already about flexibility of the content, to give a bit more flexibility for authorities, and about making sure that the objection mechanism for operators is not used unreasonably and that it works effectively for passengers. We have some provisions around variation and about making sure that the information provision—similar to the one we talked about for franchising—works effectively, with the right kind of notice for operators as well.

That is what we have already done from it. The next phase is trying to learn how the governance locally works effectively. It comes back to the point earlier about the variability of these things, from feeling effective through to being pieces of paper that don't work brilliantly well. What do the good ones do? We have looked at places such as Leicester, who have done some fantastic stuff. In Leicester, they have delivered over 100 commitments over three years between them. They have transformed 1,200 bus stops. They have service levels that are up about 6% from pre covid. That is about the quality of the enhanced partnership work that has been done together. It is about the local leadership. That is coming through clearly. It comes back to some of the earlier conversations about the need to have local leadership both at officer level and at political level, so that this matters and is being driven forward.

There are what we are calling the minimum standards that we would expect all EPs to have going forward, if we are expecting that an authority will receive departmental funding. I do not want to judge what they might be at this stage because the review is ongoing, and Ministers will need to decide that. I think the kinds of things I talked about earlier are very much still in play as the kinds of options there.





**Q233 Laurence Turner:** You referenced a city authority, but are there specific lessons that you are learning about enhanced partnerships in less densely populated areas?

**Stephen Fidler:** Yes, absolutely. East Sussex is quite a good one for me, as we talked about before, in terms of quality of collaboration. I appreciate the points made earlier about Norfolk and some of the political leadership in the past there. At a working level, what we see there is really good collaboration between officers and operators on a day-to-day basis. There is join-up on some of that that I have not seen before in some of the county-wide multi-operator ticketing. Even if it is a city context in Leicester, I do not think it is a city-specific solution. The things that we can learn from Leicester are about how engagement works and what information is provided to passengers. A lot of that is entirely transferable to a rural context too. The learning can be applied from one to another.

**Q234 Rebecca Smith:** I have a really quick question. I think it could come in pretty much anywhere during this conversation, so I will put it in here. Obviously, a whole load of this relies on local authorities and commercial organisations being able to make it viable. What are you feeling about, or how are you planning on tackling, what will effectively still be notspots in rural areas for bus transport? What do you anticipate being the solution to that? There is great ambition in the buses Bill, and if you live in a village you could be led to believe, a bit like with broadband, that you are going to get a great service; then, suddenly, everyone decides it is not deliverable—it is too difficult—and you are in exactly the same position as you were already.

**Chair:** Particularly with funding.

**Rebecca Smith:** Yes.

**Chair:** The funding seems to me the unanswerable: where are you on funding for these areas—the notspots that Rebecca mentioned?

**Simon Lightwood:** You have already seen in the changes that we have made in our approach to the bus grant, which consolidated BSIP and BSOG funding, that because it is done on a formula basis, all local transport authorities, including those in more rural and suburban areas, have received funding, sometimes for the first time in a long time. We think that that is a fairer approach than the competition-based one, where bigger urban areas tended to benefit.

**Stephen Fidler:** On the specifics of that, around 30 authorities, in the announcement we made last year, got a significant increase in their funding for services. As the Minister says, they tended to be more rural areas, although not exclusively. Places like Blackburn, Kent and Devon got pretty significant increases in their funding, and that should help to address some circumstances. Obviously, the spending review will be the crucial moment for the Government in taking decisions.



## HOUSE OF COMMONS

**Simon Lightwood:** It is crucial to say that that is an interim formula. We will continue to work with local transport authorities and operators to hone that approach. How best do we share that funding across the country, to deliver the results that we need to see, bearing in mind the challenges faced by certain communities?

**Chair:** Okay, that is useful. We will come back to funding shortly.

Q235 **Catherine Atkinson:** Can I bring us back to socially necessary services? The buses Bill will require transport authorities to identify socially necessary services within their enhanced partnerships. In what ways do you think that that requirement will improve bus services?

**Simon Lightwood:** Again, the word “you” is the issue. What do local areas want to see from that? It is about empowering them to do that. I guess what I would like, as I said earlier, would be for passengers to be at the centre of that thinking, with a full exploration of the benefit that the services provide to a community, and for passengers to be satisfied that every possible mitigation is made before any changes or cancellations are made to a bus service—touching, again, on demand-responsive transport and community transport. I think that it reassures passengers that that work has taken place; hence my response to Alex about franchisees looking at it, as well. I think it will support better decision making, fundamentally.

Q236 **Catherine Atkinson:** We have heard evidence that the Bill is a bit vague about what socially necessary means. What do you think can be done to ensure that everyone knows what it means?

**Simon Lightwood:** We will look at guidance to local transport authorities about what they may want to include in that. It is up to local areas, again, to set what they think is socially necessary in their specific communities, rather than having us tell them what we think it should be. It will be different in different areas; there will be different challenges, demographics and geographies. That will be the crux of it.

Q237 **Catherine Atkinson:** The requirement seems to apply only to existing services. For places like East Midlands, where we have seen 60% of our routes cut, how are you going to take the next step, measuring gaps where a service is socially necessary but does not exist?

**Simon Lightwood:** This goes back to the conversation and the work that is going to have to take place in each of those enhanced partnerships, and possibly franchising, about the kinds of bus services the local communities want, and the Government then empowering those local communities with the tools and funding to achieve those objectives.

Q238 **Catherine Atkinson:** Does the requirement need to go further, identifying not just existing services but those that do not currently exist?

**Simon Lightwood:** I don’t know if it does. That is part of the accepted challenge for local transport authorities. They want to deliver the best



service possible for their areas. Those criteria could be used, but it is about protections, and reassurance to passengers on existing services. It is the trust issue again—that every possible effort has been made to mitigate any future changes, and they can trust that that is going to be considered.

Q239 **Catherine Atkinson:** Does protecting what we already have go far enough, when the aim is to improve it?

**Simon Lightwood:** I take that point, but this is why we have bus service improvement plans. That is fundamentally what it is about. You are asked to consider, as part of that, your aspirations, and as part of that you would look at gaps in service. I would expect that. I am sure that, in guidance, it says you need to take consideration of not just urban but rural and suburban areas.

**Stephen Fidler:** I absolutely agree with that. This is part of a suite. The bus service improvement plan is fundamentally about change when you want to go forward—what you want your buses to look like in the future, and the context.

There are probably three things that we want to do with the Bill. First, we want to get absolute clarity of alignment between the operator and the local authority about which services are socially necessary. I recognise that, in some places, but not necessarily everywhere, most services might fall into that category. For an operator that says, “Actually, I’ve got to do something here, because of commercial viability,” there is absolute clarity about the priorities of the local authority, in a way that perhaps does not exist today. That might inform operator decisions in the first place.

Secondly, there is transparency. There is already a duty in legislation for local authorities to consider what services need to be funded. They do not have to fund them, but they have to consider it. There is nothing that makes that list of important services transparent. Coming back to the theme of transparency, this will put it out there publicly and clearly: what is the list of services that we think, at the moment, are socially necessary? As the Minister says, it is about what happens if those services are at risk—

Q240 **Chair:** Or if we want them to be recreated after some years of not being there.

**Stephen Fidler:** Absolutely, yes. It is about making sure that you do not lose a service just because people do not look creatively at what could be done about it, and whether things could be done, not necessarily with funding at all, but by attracting passengers, changing service patterns, doing something on bus priority, or doing something else that makes the service more viable, rather than accepting that it should go. That is what we are trying to do, I think.

Q241 **Chair:** As I understand it, if you have a local authority that is a bit



## HOUSE OF COMMONS

lukewarm on the whole concept of upping the bus—Steff said that Norfolk sees itself—

**Steff Aquarone:** Norfolk is a car county, we were told.

**Chair:** Yes, so if a county or an area sees itself as car-oriented, you are putting the onus on communities themselves to campaign for socially necessary new bus services. The communities are going to have to make the case if the local authority does not. Have I got that right?

**Simon Lightwood:** I think that the provisions in the Bill mandate them to identify socially necessary bus services. They have to do that as part of an enhanced partnership.

Q242 **Chair:** They have to do that. Then, if there are still no-go areas, the rural communities or villages are going to have to campaign themselves. They will have to make the case to their local authority if it does not identify that area as a need. Have I got that right?

**Simon Lightwood:** This goes back to the bus service improvement plans, as well. That is the mechanism in which they identify future changes and improvements in their bus network, whereas the socially necessary bit is more about how we protect, and make sure that there are processes, when it comes to designation.

Q243 **Chair:** As we keep saying, there are many areas that are now bus deserts, where it is in people's memory that there was a bus service. Can you confirm, on socially necessary services, that it is not just about protection of existing ones, but that you are also talking about identifying socially necessary services that are currently no longer there? Is that right?

**Simon Lightwood:** I could see it being used for that. The criteria being used by local transport authorities when ascertaining what is a socially necessary bus service in their area would be very clear.

Q244 **Chair:** Or the communities in those areas.

**Stephen Fidler:** The expectation is absolutely one for current and future, but the legislative measure is about existing services, because that is what you can cover within the enhanced partnership context of services that exist today. But the overall totality is absolutely about the aspiration, and what should be there for communities.

Q245 **Rebecca Smith:** I suppose this is going to be quite an interesting debating point when the Bill comes before the House. It all sounds quite subjective to me at the moment. It sounds to me—correct me if I am wrong—as if you are saying that you want local authorities to make all these decisions, but the Department is effectively going to set out what a socially necessary service is—

**Simon Lightwood:** No. Absolutely not.

Q246 **Rebecca Smith:** There is not going to be a central list.



**Simon Lightwood:** No. We will provide guidance to help them come up with their socially necessary criteria, but I think it is important that local areas are able to consider and detail what the socially necessary services are for their individual communities, and the individual challenges that they face. I can see the read-across there, Chair, in terms of not just protecting the current services but, once they have had that discussion and identified them, asking whether the current network is providing that, and whether there are options in the bus service improvement plans to build on those networks.

Q247 **Rebecca Smith:** I suppose I would just gently push back on the LGR piece again. If it is left to areas that are potentially expanding their boundaries to decide what they think is important, it could still be the urban piece. A council in my area wants some of the rural area, but is on record as saying it doesn't do rural. If a council already says, "We don't understand how rural communities work," and that is not factored in, it is potentially a problem, going forward. Anyway, that was not my official question—sorry.

I guess this links to what the Chair and others have been saying. Will the Department provide ringfenced funding for identified socially necessary services or, again, will councils be expected to fund them from existing budgets and, I guess, therefore, pick and choose what they think is suitable or whether society as a whole might think that those old people in that village should be able to access some local services?

**Simon Lightwood:** No, I don't think the new measure will have extra funding associated with it. LTAs and bus operators will include that process through existing mechanisms. The power in terms of grant making and the bus grants that we already provide to support the bus service improvement plans—the BSIPs—will enable that work to be undertaken. On the bus grant, it is a really important point that they get to incentivise and shape those grants, rather than the Department for Transport doing it. We think it will be really useful to local authorities to have those local levers.

Q248 **Rebecca Smith:** You haven't answered the point about ringfencing. If it is not ringfenced, why should a council use that money to provide a socially necessary service and not something else? If we think there are socially necessary services, surely it makes sense to ringfence that funding so that there is no wiggle room for a local authority, franchise or bus transport network to do that.

**Simon Lightwood:** The direction of travel we are trying to move in is to give local areas the freedom to use the funding to achieve their objectives, rather than us putting barriers in the way.

Q249 **Rebecca Smith:** Surely they are already not achieving those objectives, so don't we need to give them an incentive?

**Simon Lightwood:** They are not, but we are giving them simplified, consolidated funding, and the powers and support needed to achieve



that, which have not been there in the past and which has led to the erosion over time.

Q250 **Rebecca Smith:** I think we are assuming that these people are going to do what they are supposed to do, rather than spending it on something else.

**Simon Lightwood:** We are not giving money specifically for socially necessary bus services; we are giving bus service improvement funding. It is a bus grant, so it can be used for whatever they see fit to improve buses in their community for passengers.

**Stephen Fidler:** It is probably worth adding that, in our funding message to local authorities, it is made really explicit that this is money for buses, and that it is intended to be additional to their existing bus budgets, not replacing them. We are very clear with authorities that, while it is not formally ringfenced, if, effectively, it ends up not being spent on buses, we will have quite a think about the right level of allocation for that authority in the future, so that we can maximise the best bus outcomes across the country.

**Rebecca Smith:** This is just a point on the definition of “socially necessary”, particularly when councils are expanding. Where I am in Devon, the city council will believe that it is in deprived areas where people probably do not have a car that a service could be seen as socially necessary; whereas if it is adopting some rural communities, for them socially necessary services might mean being able to leave the car at home and travel to the town or city to go to the doctor. That definition point will be critical. It becomes incredibly subjective otherwise, and we are putting a lot on council leaders, who probably have the best intentions in the world, but still have to make choices. If we are talking about rural services, it is a question of making sure that they do not still miss out once the legislation is in place.

Q251 **Alex Mayer:** On the point about councils identifying socially necessary services, are you going to require councils to produce lists, or the formula behind how they got to the list?

**Simon Lightwood:** Have we prescribed yet exactly how we—

**Stephen Fidler:** I am certainly expecting a list, in terms of the detail in the guidance. Effectively, to an extent, the formula will, I hope, be based on the kind of advice we give in the guidance. Then they will be very clear about what the services affected are. As we said earlier, we want operators to know, so a list is going to be quite important at the end of the day.

Q252 **Alex Mayer:** It strikes me that the formula is quite important, otherwise there could literally be a list of whichever person in the community shouted the loudest about a given bus, and there would not necessarily be an evidence base behind that.





**Simon Lightwood:** They will need to set out what a socially necessary bus service is for their area, I guess, and the list would follow from that. It goes back to accountability and transparency about why those decisions have been made, and whether all possible alternative routes are considered if those are changed or cancelled.

**Chair:** The politics of this could be quite interesting.

Q253 **Steff Aquarone:** Stepping back from who pays for it, one of the core principles of the Connecting Ireland programme is about socially necessary services, whatever that means. In my view, it is an incredibly unhelpful definition that causes great confusion, because surely the ambition should be, and the whole point of public transport is, that everybody wants to use it. To touch on the reality in rural North Norfolk, for example, as opposed to rural Norfolk as a whole, the council got less than half what it asked for from the BSIP and spent most of that buying buses outright, which was an extraordinary use of public funds, and improved just one route to one place in my constituency. The whole thing needs rewiring if it is to make any real difference in North Norfolk, and I fear that that may not be possible. Principally, would you agree that socially necessary services, or whatever, need a significant degree of public funding—public subsidy—to work, regardless of where it comes from?

**Simon Lightwood:** We are providing that funding through the bus grant. Obviously, you know that we have a challenging economic inheritance. Funding needs to be clearly value for money for taxpayers, but there is a finite resource that we are able to call on.

It is about giving that flexibility. Also, not just with the bus grant and the work we have done so far, but during the spending review, we are looking at other ways to consolidate and devolve more funding down to local areas. There is a whole patchwork of funding pots, as I learned when I came into the job, and a plethora of funding that goes into buses. We need to look at consolidating that a bit and simplifying it, so that it is clearer where it is going, what its intentions are and what it can be used for.

Q254 **Steff Aquarone:** That makes a lot of sense. I recognise the description of the financial constraints, from almost every Minister I have spoken to since the election but, of course, this is a case of investment in increased social mobility, accessibility, decarbonisation, reduction in road miles and potentially economic growth. I see public transport as a significant investment opportunity to drive economic growth, even in rural areas like mine. I think you are saying, "Yes, but there's not quite as much money as we would like, even if we consolidated it together so we could see what we've got."

**Simon Lightwood:** It goes back to there not being a one-size-fits-all approach.



## HOUSE OF COMMONS

Q255 **Steff Aquarone:** Overall, though, if you bring all the different pots of funding together and think what a transformative vision for rural public transport could look like, it sounds at the moment as if there is not enough money.

**Simon Lightwood:** I do not think it is just about money. It is, as I said, about the powers and the partnership work that needs to take place as well.

Q256 **Steff Aquarone:** Do you accept that there is a significant requirement for public subsidy to make these routes work, at least in the first five or six years? That is what we saw in Ireland; the change came four or five years after the initial investment was made.

**Simon Lightwood:** We are investing in terms of the bus grants to allow those local areas to invest. They need to decide what their priorities are in that area. They understand the social and economic challenges in their area, to make those interventions work.

Q257 **Steff Aquarone:** I hear that at some level, but you will forgive me for labouring the point. I do not think you can invest incrementally in transforming a network proposition. You have to go to the very biggest extent immediately, for people to buy into the opportunity. It really is one of those rare examples of, "Build it, and they will come." You cannot grow through increments in a declining service environment. That is an opinion. From what you are saying, it sounds as though if there were more money on the table, you would do more with it; you would see more being done with it. What would that look like?

**Simon Lightwood:** You could say that about any part of policy and investment in public services. Of course you would like to put more money in where you can, and as part of the spending review we are putting our bids in accordingly, but I go back to the point that this is not just about funding. It is about using the funding that is available, putting it to the best use and empowering local people and local leaders to use it in the way that makes the biggest difference to their communities.

Q258 **Steff Aquarone:** But you would agree that socially necessary routes require significant public subsidy.

**Simon Lightwood:** Often they do, but we have talked about different models of franchising, where urban routes can almost subsidise and help to balance—offset—the challenges in rural areas, because more profitable routes tend to be in urban areas, for instance. In franchising, you need to see the whole network, and that allows you to help with the less profitable routes, the ones that can be deemed commercially unviable.

Q259 **Chair:** Let's remember that even in London the buses are subsidised by the tube network. The London bus network is not viable on its own, and it has very few rural areas.

Before we leave socially necessary routes, I want to ask what estimate the Department has made of the proportion of routes that will be socially



## HOUSE OF COMMONS

necessary and, therefore, the amount of funding that would be required to support that service. Have you done that calculation?

**Simon Lightwood:** We are not setting the definition of socially necessary bus routes. It is up to local areas to identify what they think is socially necessary in their communities, so it would be a difficult thing for us, but I take the point about whether there is enough funding to deliver that.

**Chair:** Right, well we are going to move on to funding in the wider sphere.

Q260 **Mrs Blundell:** Good morning, both. Yes, we are going to move on to funding more broadly now. Buses remain the most used form of public transport and, as you mentioned, Minister, short-term funding settlements have prevented long-term planning. Even in my constituency in Greater Manchester, where I am campaigning for an express bus service from my constituency to the city centre, and where we have a great mayor who is fully behind bus franchising and understands the importance of such services to local communities, I have found that decisions have been constrained by the national funding environment in the past. What is the Department doing to fix this?

**Simon Lightwood:** Fundamentally, I want us to move away from the short-term funding models of the past. They created too much uncertainty and too many cliff edges. Obviously, future funding—here it comes—will be a matter for the spending review; I had to get it in somewhere. That will help us to review our goal to simplify, as I said, and go further on how to simplify and consolidate some of the funding, to give maximum flexibility to local areas. We will be exploring how we do that further as part of the spending review.

We also want, and I am sure you share this view, to give multi-year settlements. I think it will be a big deal for local authorities to have that certainty over a number of years, with more control and flexibility in bus funding, so that they can plan ahead more strategically for their investment over a longer period.

Q261 **Mrs Blundell:** You recently introduced a deprivation metric for BSIPs. I welcome that, and I am sure that other Committee members do, too, but services obviously need to be financially viable; at least, they need to wash their faces. How do you balance the two, being cognisant of deprivation and making sure, under franchising, and maybe enhanced partnerships, too, that the system is demand responsive?

**Simon Lightwood:** Do you want to go into a bit more detail on the formula, Stephen?

**Stephen Fidler:** Certainly. The core of the formula was based around three things: the population—the number of people who would potentially use the service; the deprivation aspect, recognising, perhaps as a bit of a proxy, who has car ownership, and the need for and importance of bus



## HOUSE OF COMMONS

services; and the size of the bus network at the moment, and the level of support that might be there. We are trying to balance some of those factors in the formula itself as a starter.

Ultimately, there is a key role for the local authorities in testing value for money. Some of our role comes out as what the Minister was saying about best practice, support and expectations, and helping with some of those choices, perhaps less so for Greater Manchester. In what circumstances might demand-responsive transport be a better, more effective solution for connectivity than, say, a traditional fixed bus route? That is exactly the kind of space where we want to assist and support.

Q262 **Mrs Blundell:** We have rural areas within Greater Manchester. It would be interesting to know whether there are plans for the new BSIP formula to include weighting for rural areas as well.

**Simon Lightwood:** Obviously, that is part of the work that we are talking about as part of the spending review; and, going backwards, this original formula is an interim formula. We are actively looking at how we continue to evolve it. That could be an area that we will explore as part of this.

Q263 **Mrs Blundell:** So, potentially. Finally, from me, in this section, on cross-subsidy, which is a really important topic in Greater Manchester, how will you make sure that that works effectively, from more affluent areas with more demand—in Greater Manchester I think of the Oxford Road corridor, for example—to less prosperous ones, where services are still essential?

**Simon Lightwood:** It comes down to the identification of socially necessary bus services, and the ambition of the BSIP in clearly articulating the vision there for bus services, and the development of bus services. Obviously, guidance dictates that you need to take into consideration the entire community, to make sure that there is a level playing field and a fair approach.

Q264 **Katie Lam:** You mentioned your wish to move to a long-term, multi-year funding settlement, which I know will be music to the ears of lots of people who have spoken to us. Notwithstanding pleasing the gods of the spending review, how would five years, say, sound to you? What kind of timeframe are we looking at?

**Simon Lightwood:** We are looking at three-year, day-to-day spending, and four years in terms of capital spending. That seems to be the direction of travel. Every couple of years, I believe, there will be a multi-year funding settlement. That will give greater assurance and certainty. It comes across so often. If I go back to my shadow days, and then going into government, that word “certainty” was the single most used word by everybody, and the lack of certainty was holding back and undermining trust and the ability to improve services.

Q265 **Alex Mayer:** Does the Department have a bus fare strategy?



## HOUSE OF COMMONS

**Simon Lightwood:** Buses offer fantastic value for money in getting people to where they want to be. There was an intimation there about the fare cap. If we had not acted to change the £2 fare cap to a £3 fare cap, there was no funding beyond 2024 to maintain any form of cap. It was important. Unforeseen costs are always the worst to deal with, and if we had not intervened, that could have meant a significant cliff edge for bus fares, particularly in rural areas, which tend to benefit the most.

It is important to emphasise, on the back of that, that it helps in only one in six journeys. There is increasing use of things like weekly travel cards but, with the flexibility that we have incorporated in the bus grant, local areas have done, and are looking to do, their own bus subsidies. You see that in Greater Manchester and the Liverpool city region. They are using the funding given to them through CRSTS and the bus grant, to keep fares down. Cornwall is using some funding on a more targeted basis, when it comes to tourism, for instance. Again, it is about giving the power and funding to local areas to do the local interventions that could perhaps have the biggest bang for their buck, in achieving better buses in their communities.

Q266 **Alex Mayer:** I absolutely take your point that the funding was about to run out and there was a cliff edge. When the £2 fare cap was introduced, it was very clearly as a cost of living measure. As you rightly said, the £3 cap was much less so, because so few of the tickets actually cost £3. If I get on a bus from Leighton Buzzard station to Tesco, it is something like £2.10, so it does not apply. What, therefore, is the £3 bus cap now for? Is it now a measure for subsidising rural buses only?

Back to my question, what is the Department's bus fare strategy? It still has the cap in place, but what are you trying to achieve? Is it just to subsidise rural buses, or does the Department have the idea that fares could be used to increase ridership and move people from cars to buses? Is it still a cost of living measure? What is it for?

**Simon Lightwood:** I think the initial drivers behind the fare cap were for a cost of living measure, and about recovery from the pandemic and getting people back on to buses. The £3 bus fare cap most benefits longer routes and rural areas where fares tended to be significantly higher. That is a good thing, but with the funding and the flexibility we are providing, local interventions perhaps have the potential to reap better rewards in a local area, because there are different social and economic challenges in different areas. That is perhaps the best approach, in the circumstances, that we can achieve.

Q267 **Alex Mayer:** Therefore, would it perhaps be better to give local authorities the chunk of money and let them decide what the bus fares are?

**Simon Lightwood:** That is exactly what we are doing through the bus grant. They can use that money to introduce improvements in the bus network, maintain services that are not commercially viable and improve



## HOUSE OF COMMONS

bus infrastructure or fare initiatives in their local area. In 73 out of 85 areas, commercial bus operators are also putting in place concessionary fares to incentivise bus use. Of course, we want to see more people using bus; we want to see it as being accessible and affordable as possible. There is a theme here: giving local areas the flexibility to design that for their individual needs is important.

**Q268 Catherine Atkinson:** I have had young people and families say how hard it can be to cover the bus fare to get to college or school. Has the Department considered reviewing policies around concessionary fares to offer more consistent support for young people in education and low-income work?

**Simon Lightwood:** There is a review being undertaken of the ENCTS, so we are looking again at that. It costs something like £700 million at the moment to give the elderly and disabled access to free bus travel. In any expansion of that, we need to maintain the financial stability of the scheme. Going back to my point a second ago, local areas can already supplement the ENCTS; they can, and many do already, have youth concession schemes paid for locally, using their bus grant to do so.

**Q269 Catherine Atkinson:** We have youth concession schemes, but it varies from provider to provider and it can be quite difficult to navigate. I appreciate the return to local decision making and how important that is, but our young people have to access school and college. Is there something different that is not about local choice and much more about ensuring that all our young people can get to where they need to go?

**Simon Lightwood:** One size fits all is not necessarily the best approach. Different demographics in different areas may dictate the priorities of the decisions in that area. They can already go above and beyond in local areas. There are commercial operators already doing youth fares in 73 of the 85 areas. I take your point that it can vary from provider to provider, assuming that it is a commercial operator decision to offer that fare. Obviously, if it is a local transport authority using its bus grants, it would be a more across-the-board fare.

**Q270 Catherine Atkinson:** Do you think more could be done in the guidance that the Department gives in enabling local transport authorities to make those decisions, but with greater direction from the Department?

**Simon Lightwood:** Yes. Without wanting to stifle that decision making, I think guidance is important so that those considerations are made. Perhaps even more, it is about communication about what the art of the possible is with the funding, so that people recognise the opportunities they have to use that funding.

**Stephen Fidler:** That is one of the things we will pick up through the enhanced partnership review work we are doing in terms of what sorts of interventions have gone into play and where people have put these fares in place. There are some good examples around £1.50 or £1 fares. For example, I think the north-east has a £1 flat fare for under-21s or a £3





## HOUSE OF COMMONS

all-day multimodal, exactly because they believe that that is really important for accessing employment, including from more rural areas to places where there is employment, training or opportunity. We want to bring out some of that money and, as you suggest, share what we have seen working from one authority to another so they can make a much more informed choice.

**Dr Arthur:** This is a really interesting area. Going back to Catherine's point about concessionary travel for younger people, in Scotland, as you know, under-22s travel for free. It has not come without its problems, but there are massive benefits. We have free travel in England for what you called elderly people.

**Chair:** I have to declare an interest. I get mine today.

Q271 **Dr Arthur:** The Chair is officially elderly, I guess. I shouldn't say that, should I?

In answer to Catherine's question, you said that expanding concessionary travel to younger people would have to come from within that budget, but there are other decisions we could make. With bus travel for younger people, you benefit people who are on lower incomes, but the decision to continue to freeze fuel duty levels by and large benefits people who are wealthier. Is that not a source of income you can use, rather than benefiting the wealthy people who tend to own cars? That money could have been used to create more access to bus travel, perhaps for people on lower incomes and perhaps younger people. Does that not meet the aims of this Government to create a fairer society?

**Simon Lightwood:** I hear what you are saying. It is a matter for the Treasury, and I will leave it there.

Q272 **Chair:** Can I go back to your answer to Catherine's point about young people getting to college, first jobs or whatever? Apart from the very elderly who should not be driving if they have health considerations, young people are far less likely to have access to a car. You refer to horses for courses in different areas, but the reality is that, wherever you are in England, there is a need to get to school, college or work first thing in the morning, to come back in the late afternoon or early evening—that does not change—and to get to many other services in the middle of the day, or to get back home from them. Ireland has a minimum service for all communities of three return services a day. Many other countries have a similar minimum service. What stops that happening in England outside London?

**Simon Lightwood:** It goes back to whatever system is put in place. If you are to extend the ENCTS, at the end of the day it needs to be financially sustainable.

Q273 **Chair:** But it is not a Government priority.



**Simon Lightwood:** I am not saying it is not a Government priority, but there are various demands on the public purse. We are already providing funding through the bus grant, so local areas are able to use that in order to achieve the same outcome.

Q274 **Steff Aquarone:** Part of the challenge, let's face it, is that bus services, through fare revenue, are unlikely ever to become sustainable, whether in London or in rural areas. The price of running the service in Ireland is very high. The difference it makes, though, is not to the public purse but to the private purse, because a household in a rural area with two people working can go from two cars to one car. But the scale of the investment needed to get there is very significant; it will not be built up through increments. You will not see that return on the household purse until the network is of sufficient scale and standard to solve the use case of dependable and reliable transport for school or work and so on. To re-ask the Chair's question with that framing in mind, that is clearly not the way the Treasury is seeing the investment opportunity, is it? We are not looking to be able to spend enough money to get to that level to take cars off the roads in rural areas.

**Chair:** The other added benefit that we learned about in Ireland is the regeneration of country towns, because many more people who did not have access to a car were coming into town and spending money. They were seeing rural growth regeneration. There are those two points.

**Simon Lightwood:** I disagree; there can be incremental improvements made by investment and the empowerment of local leaders to shape their bus services round their communities. That is possible. You have obviously seen that in Manchester—Greater Manchester, to correct that point. The work done by the Mayor of Greater Manchester has seen some fantastic results there—I am very conscious I should say Greater Manchester, because I get told off by various Members. I disagree; I think you can see improvements.

Q275 **Steff Aquarone:** There are improvements, but it is not going to take cars off drives in rural areas.

**Simon Lightwood:** I think we are talking about building trust. You see the improvements; you build trust, similar to what they did in Jersey. They improved trust because they worked together on the franchising arrangement, taking advantage of commercial skill and knowledge as well. I will correct this figure if it is wrong, but 56% of people who have cars are now choosing to use the bus, so you can see incremental improvements. From the measures we are undertaking through funding and empowering local leaders, you can see improvement in buses throughout the country, but it will take time, and it will take time to rebuild trust as well.

Q276 **Steff Aquarone:** May I ask whether Stephen has any comments?

**Stephen Fidler:** The context I would add is that if you step back and look at the scale of Government funding—for context, rather than overall



scale—it is now about three times the level it was before the pandemic. That is DFT funding for buses. While it may or may not be the scale everybody would like to see, it is probably worth looking at the context. It is significantly higher than it was in, say, 2018-19.

**Q277 Alex Mayer:** In a way, we have moved into a brave new world of buses. The skills that are needed in local transport authorities have very much changed, moving away from officers who were used to coming up with sticking-plaster solutions for propping up unviable services, to the need to do contract negotiation, financial modelling and performance monitoring. Are you satisfied that all local transport authorities have that capacity and will be able fully to participate in this brave new world?

**Simon Lightwood:** No, which is why we are putting investment in all local transport authorities outside London to support their capability and capacity. I think you have heard us say that we think that that would provide sufficient funding to employ at least one additional bus officer. We are working with local transport authorities to understand what extra help is needed, building on the support we already provide. We are working with the Chartered Institution of Highways and Transportation, which helped start the Bus Centre of Excellence, which is a fantastic resource—I am really proud of that—to create that support package for LTAs. We are also working with the Chartered Institute of Logistics and Transport on a new qualification training package for bus professionals. We are funding 100 places; about 86 have been taken up so far. When you consider that there are 76 enhanced partnerships, that is a great take-up. Obviously, there is support in terms of franchising and the pilots we are doing, so that we can increase guidance on the model and people can identify the best model, appropriate to their area. The Bus Centre of Excellence has a franchising network group, so people are coming together and having those discussions as well. On top of that, we are building a toolkit to help local authorities choose the best model.

**Q278 Alex Mayer:** Do you think one extra member of staff is enough? Is that a floor or a ceiling in terms of the Department's ambitions?

**Simon Lightwood:** That is the foundation. We want to do even more, obviously. We want to empower and support local authorities to make transitions, these decisions. With the funding they can choose to employ more, depending on their circumstances and the model they choose. I go back to the Jersey model. They did it with a very small number of officers, and capitalised on the skills and experience of the private operator to supplement that. It is absolutely not the ceiling, but very much the foundation.

**Q279 Laurence Turner:** I have a related question about capacity in the context of the lifting of the ban on the creation of new municipal bus companies. We have already heard from other witnesses that internal capacity in local authorities is one of the barriers they face in creating municipals. As you know, although existing municipals are often very high performers, with some limited exceptions they are not new creations



## HOUSE OF COMMONS

in the post-deregulation era. In the House of Lords, the Department said that new guidance will be provided. Is the door open to providing additional support if local authorities are able to produce a strong business case for creating a new municipal bus company but, in practice, they find resourcing challenges in getting it off the ground?

**Simon Lightwood:** There will be rare occurrences when someone wants to establish a local authority-operated bus company from scratch. You are assuming, I guess, a whole service provided by the local authority. It may be that they create that as an operator of last resort, for instance, if they are unable to attract sufficient interest in a franchise, but when local transport authorities are considering which model to adopt, affordability would be a key consideration.

Q280 **Laurence Turner:** In that kind of scenario, the current law potentially can be worked around. An authority can acquire, say, a failed private operator for a nominal price, and that would not be barred by the existing legislation. There is obviously a symbolic change with the new legislation, but it sounds like the main benefit of the legislation might be more for existing municipal operators because of the lifting of the current financial restrictions on them.

**Simon Lightwood:** It adds another element to the toolkit, going back to the potential for an operator of last resort. It may be that, currently, people are exploring franchising and in the end decide that they want to operate some of the bus services, or certain sections of them, themselves.

**Stephen Fidler:** It does not necessarily have to be a traditional large-scale normal bus company. Even in the rural mobility fund there are examples of local authorities actively doing the demand-responsive travel in-house. There is perhaps a bit of ambiguity about whether that is fine. You could imagine a small bus company being set up in the first instance to run DRT and potentially growing out of that. I would not necessarily think about it as big bang. You could also think about it in terms of having proper competition for socially necessary services, perhaps with a small number of vehicles in the first instance operating out of one location. I would not start with the existing municipal, or local authority, bus company necessarily being the model but, a bit like the franchising options, you could move into it on a more incremental basis. Making this legislative change will allow that to happen in a way that, if we hadn't done it, perhaps you would not be able to.

Q281 **Katie Lam:** I sent out a transport survey to every home in Weald of Kent, my constituency, and asked about buses. A third of people who use buses do so as part of a longer journey. One of the top requests that people had was to match them up better with train times. I appreciate that that is not always possible because there are, literally, several moving parts, but as the Department thinks about the integrated national transport survey, what specific steps are you taking to marry up different forms of transport and the role that buses play in that, particularly in



## HOUSE OF COMMONS

rural areas where they can help do that final mile to get people to a train station?

**Simon Lightwood:** Integration is key, not only with different modes of public transport but, crucially, with active travel. No one tends to get the bus without having walked, wheeled or cycled in the first instance, so that is an important aspect. Local authorities are encouraged when considering their BSIPs to consider that kind of integration with other modes. That could become easier under Great British Railways, where there is greater oversight of the railways. Elected mayors in local areas will have a statutory input into Great British Railways as well. We are taking quite a lot of action on more integrated ticketing. We are working with West Midlands and Midlands Connect on a national technology solution for integrated ticketing. I am not sure about the timescales for that.

**Stephen Fidler:** It is out to procurement at the moment by West Midlands combined authority.

**Simon Lightwood:** As we mentioned, we are developing an integrated national transport strategy to set a long-term vision for transport. I don't know why there wasn't one before. It is important for how transport is designed, built and operated, again with passengers right at the centre. That is being developed with open dialogue and collaboration, with a public call for input. About 6,000 contributions have been made by members of the public and stakeholders, with 11 regional roadshows as well. That shows a great degree of public interest in the points you have just made. It is really important to people. The exact scope of the strategy is still being finalised and will be informed by the outputs I talked about. It will be fundamental in achieving the Government's missions in terms of economic growth, access to jobs, education and the efficient movement of goods and services.

Q282 **Rebecca Smith:** To follow up what Katy said, I would flag with you the need for passenger ferries as well. A classic example in my constituency is that the bus arrives a few minutes after the ferry departs to the city, which obviously means that people who want to use that join-up, whether on foot, or by bus or car, cannot. I would just flag boats as well.

**Simon Lightwood:** It is important that we are able to facilitate better multimodal transport solutions, and I think this will go some way towards that.

Q283 **Rebecca Smith:** Passenger ferries should not be forgotten.

**Simon Lightwood:** Don't get me wrong. This is not a simple ask; there are lots of moving parts.

**Rebecca Smith:** They can be county dividing as well. Devon and Cornwall has a great one, but you have to get the bus there, and if they don't marry up, it is pointless.



## HOUSE OF COMMONS

**Chair:** Very good point.

Q284 **Mrs Blundell:** Across Greater Manchester, devolution has demonstrated that running a bus service is more than just about profit; as you were saying earlier, it is about getting passengers from A to B, ideally with no financial penalty for switching modes. How will your ambitions for integration overcome the fragmentation of funding and governance across different transport modes? Is devolution a silver bullet in other areas outside Greater Manchester?

**Simon Lightwood:** I don't think that it is necessarily a silver bullet. Devolution is an exciting opportunity, and we have seen fantastic progress in places such as Greater Manchester, which obviously has franchised its network already. The bus Bill gives areas more power to improve their bus services, including new options such as creating their own bus grants, for instance.

Q285 **Mrs Blundell:** What steps is the Department taking to improve cross-boundary co-ordination of bus services, particularly across neighbouring areas where a variety of franchising and enhanced partnership models might apply?

**Simon Lightwood:** We are giving more powers to local leaders in the bus services Bill. We expect them to work with each other and to think creatively with nearby authorities. That will be important when they redesign their networks to meet local needs. For example, the Bill will let franchising authorities give permits to operators who want to run non-franchise services in a franchised area. Franchise authorities will need to consider the benefits of cross-boundary services in all the areas they serve, not just in the franchised area.

That will help franchising authorities to use better what the market can offer. You have services coming into the franchised area, which may mean that you do not need to do as much in your franchised area, if you know what I mean. We have updated our guidance to LTAs to make it clear that they should consider cross-boundary services during the franchising assessment.

Going back to an earlier point when we talked about the Government's devolution plans and the move towards strategic authorities, a consequence of that will be fewer boundaries. Notwithstanding that fact, there is an expectation here, and in guidance, that careful consideration is made not just within your boundaries but of the impact and opportunities that working with areas outside your franchised area can bring.

Q286 **Mrs Blundell:** Finally from me, what do you expect will happen to bus service provision in these areas if more flexibility is not given to operators outside franchised areas to run services into them?

**Simon Lightwood:** We and local transport authorities need to recognise that people do not exist in a bubble. They may live in one area and work





## HOUSE OF COMMONS

in another, so it is in everybody's interests that we work together collaboratively to break down any barriers when it comes to cross-boundary work.

**Chair:** Let's move on to demand-responsive transport.

Q287 **Katie Lam:** I know, and we have heard from various people, that the Department is currently evaluating demand-responsive transport. What role do you think it could and should play in the national bus network?

**Simon Lightwood:** Alternative service models are important for ensuring that communities have access to transport where traditional services may not be working or are not viable. Both DRT, demand-responsive transport, and crucially—it is important to emphasise this—community transport, of which I am a big fan, can fill the gaps where traditional services would otherwise not be available for getting people to education, to jobs and so on. That could include going not just direct to a location, but to transport hubs. DRT can get people to a transport hub to then be able to take the bus or other means. That could often be a cheaper alternative and a more productive and efficient service for local people. We encourage all local transport authorities to consider community transport and DRT as part of their bus service improvement plans, and how those services can better connect and add to their wider transport network.

Q288 **Katie Lam:** We have heard that demand-responsive transport can be difficult to scale. We have demand-responsive transport in Kent called Kent Karrier, but in the survey I mentioned earlier only one in five people had even heard of it. As you think about rolling these things out, how are you thinking about both the scaling piece and the related marketing and comms piece?

**Simon Lightwood:** We are creating best practice guidance as a result of the trials that have been undertaken under the rural mobility fund. That is based on insights from the trials and from experienced local transport authorities that have been successful in creating effective DRT solutions. The first piece of guidance should be later this year, on the back of the outcomes of the evaluation. We are also ensuring that it is addressed in enhanced partnership models and through franchising pilots. As we mentioned earlier, some forms of franchising will be a fantastic mechanism to incorporate demand-responsive transport.

Q289 **Rebecca Smith:** Witnesses told us that DRT services can face financial disadvantages, compared to fixed-route buses, when operating with private hire vehicles that are subject to VAT. Will the Department engage with the Treasury to consider whether VAT rules could be reviewed to ensure a level playing field for DRT services?

**Simon Lightwood:** Sure. I recognise that there are significant concerns in the sector. We have shared that information from DRT providers with our colleagues in the Treasury. Ultimately, VAT policy is a matter for the



## HOUSE OF COMMONS

Treasury, but we have made sure that those representations have got to where they need to go.

Q290 **Rebecca Smith:** Moving on to community transport, which I suppose links to DRT as well, we have heard calls from the community transport sector for a more flexible and simplified regulatory framework. Have you considered reforming section 19 and section 22 permits to support this?

**Simon Lightwood:** I know it is complicated. I can see a case where we would review it. However, we would need to be very careful to understand the unintended consequences. Safety should always be paramount in any decision. It is complicated already. There is potential for unpicking that and making it even more complicated. It might be worth you talking about some of the exemptions that exist, Stephen, so that people get an idea of the current complexity.

**Stephen Fidler:** Yes, I am very happy to. When it was originally brought in, it was designed to be a fairly straightforward system, in that if you were running a community bus service, you would run it under section 22, and it would be less onerous than running a public service vehicle. If it was a school minibus, a club or whatever, it would be under section 19. The reality of life has become far more blurred than that. Case law and other things have come in over the years, and the whole permit regime is governed by the three exemptions about being non-commercial, having a main occupation that is not road transport, and being short distance, which is generally 10 miles, but it can be longer in a more rural context where that is justified by the circumstances.

My view would be, as the Minister says, that we must keep this under review and keep looking at it carefully. There is some quite significant risk around the case law. Although it is complex, generally it works in some way, shape or form under the current regime even if it is a bit tricky. My worry would be that if we moved to an entirely new regime, we would start creating entirely new sets of case law, and it might in the short term have some unintended consequences on the system. We need to balance and trade that off in our thinking. I would be slightly nervous about whether a change to the legislative framework would necessarily solve all problems. Actually, you might end up with a worse outcome if you were not really careful or if you were a bit unlucky. That is something that we have to balance.

**Chair:** Okay. Sorry, we moved on quite quickly on DRT. Do you want to come in on anything there, Elsie?

Q291 **Mrs Blundell:** No, that's fine, but I would be interested to understand why the Minister thinks any travel be subject to VAT. I am thinking particularly of my constituency. Greater Manchester has done great things when it comes to bus franchising, but there are still huge gaps sometimes in the transport network locally. If private hire vehicles were subject to VAT, it might get passed on in terms of wages to drivers and things like that, and maybe put them at a disadvantage. Travel is not a



## HOUSE OF COMMONS

luxury, especially not in my constituency. Why would it be subject to VAT?

**Simon Lightwood:** I am afraid my colleague is going to be disappointed in my answer. This is really a matter for the Treasury. We have passed on the concerns of the sector to the Treasury to make sure they take that under advisement. VAT policy is a matter for my colleagues in the Treasury.

**Chair:** Treasury questions are coming up. Laurence, you want to pick up on something.

Q292 **Laurence Turner:** It is just a very quick follow-up on something you said, Stephen, in respect of demand-responsive transport, particularly in the context of school minibuses. The NASUWT teachers' union and some of the support staff unions currently advise their members not to drive school minibuses, because of some of the ambiguities that they see under the section 19 process. Is that an issue on your radar? Are there cross-departmental conversations with the Department for Education on that matter?

**Stephen Fidler:** Yes, it is absolutely on our radar, and we are regularly talking to our colleagues about after-school transport and wider issues.

**Simon Lightwood:** With any change, you want to ensure that safety is of paramount importance and you understand any unintended consequences. I am not saying this would happen, but if there was a reduction in the number of people capable of driving these buses, what are the consequences for schools' ability to get their children to enjoy school trips and outings? It is important that we continue to work with DFE to understand that. I am aware of the calls from both the trade union and Members to look at this issue.

Q293 **Laurence Turner:** I have another question, on licences, and I draw attention here to donations that my constituency party has had from the GMB trade union, because in some areas it represents bus drivers. We have been told in evidence that there are significant issues with driver recruitment across the community transport sector. What scope is there—this may build on your recent comments—to review the current D1 licence requirements?

**Simon Lightwood:** There was, under the previous Government, a call for evidence in 2022 or 2023—

**Stephen Fidler:** It was 2023, I think.

**Simon Lightwood:** —on driving licensing, including D1. The feedback then was that, while there was support for looking at D1, there was not sufficient evidence to suggest it would improve driver recruitment, and not enough evidence to suggest that it would not introduce extra risk when it comes to safety. We absolutely do not want road safety compromised in any way.



## HOUSE OF COMMONS

From January to September 2024, one in five people who took the D1 test failed. If there was no test in place, those very people would be driving minibuses, and that would introduce additional risk to the system. I am keen to continually evaluate these things, because I want DRT and community transport to be successful, but we cannot accept a degradation in road safety. That will be the fundamental driving force behind any future changes.

**Q294 Laurence Turner:** Specifically, are you considering, or have you considered, granting D1 entitlement to new category B licence holders to help increase that pool of drivers?

**Simon Lightwood:** It goes back to that evidence base. At the moment, if one in five are failing the test, that risk is something we could not tolerate.

**Q295 Dr Arthur:** To broaden the debate a little bit, Simon, a lot of people are hopeful that the franchising process is going to end up with better services and better buses on routes. We are lucky that in the UK we have fantastic bus manufacturers making great electric buses. Next week, Wrightbus is coming out with a hydrogen bus, which is super-exciting. The buses Bill gives the Secretary of State the power to stop bus companies registering new diesel buses, but there is no date for that yet. What is your thinking about the date for that?

**Simon Lightwood:** We have been really clear that that will be not before 2030. We have big ambitions when it comes to decarbonising our public transport. We want to do that with the industry. I do not want to put undue pressure on them. There are a lot of diesel buses out there at the moment.

**Q296 Dr Arthur:** This is about registering new buses. Manufacturers in the UK would probably welcome certainty around a date.

**Simon Lightwood:** Exactly. We will be looking at that, obviously. I visited Wrightbus not so long ago. They do some great work. They do great work in the re-powering market as well, which is a really exciting innovation where they transform old diesel buses and give them another decade of life by converting them into electric buses.

We are having those conversations now. We will be working with industry and stakeholders to settle the date and give industry and local transport authorities the notice and the pathway they need to achieve it. I hosted the first bus manufacturer expert panel a couple of months ago. That is about having some of those discussions and getting the manufacturers, operators, local transport authorities and various stakeholders around the table in terms of both their aspiration on decarbonisation and what we could further do to push that forward, but also how we create a smooth pipeline of orders to continue to support manufacturers who create the fantastic products that we are proud of and that want to see introduced in this country, and where we have a strong export market as world leaders.



## HOUSE OF COMMONS

Q297 **Dr Arthur:** For bus companies and those manufacturers, 2030 is just the day after tomorrow.

**Simon Lightwood:** Not before 2030.

Q298 **Dr Arthur:** When do you think you will be able to make a decision on that? You say you are thinking about a decision.

**Simon Lightwood:** As I said, we are having discussions, and we will be engaging with the sector when we come to a decision on that.

Q299 **Steff Aquarone:** Given what we have heard so far about the role of Government policy, and the autonomy and ambition that you are seeking to pass on to LTAs and local leadership, I am interested in the bit that is in the middle, which is the Department itself. What sort of role, Stephen, do you see the Department's team that you look after having? What resources will you be offering LTAs? Would you be in a position to offer them support or guidance on the operating model once they have set their objectives?

**Stephen Fidler:** The first thing is that there has been quite a big change since the election in the way my team works. There is a really clear steer from the ministerial team that they want us to be in a position of not marking local authorities' homework on what they are doing, which was—perhaps an oversimplification—the sort of tone of where we were with the last Government. We were approving all bus service improvement plans, and that meant we did not necessarily have the space, time and capacity to do as much on the support side of things as we would have liked.

The focus now is very much about us being a team that enables authorities and helps them succeed. We are trying to do that very much in partnership with organisations such as the Bus Centre of Excellence, which we fund. It is absolutely where we are at. We are doing a bit of work at the moment, as the Minister mentioned, on a toolkit that is exactly designed to help authorities to take the choice between enhanced partnership, one of the franchising models, and in what circumstances a local authority bus company would be the right thing for them. That is the kind of space we are trying to operate in.

It is not necessarily about the Department doing it all. It is in part about making sure that the Department works with our partners, whether that is CIHT in the Bus Centre of Excellence or organisations like Transport Focus, to make sure that the right kind of support is there and that local authorities know that it is there. The franchising pilots and that kind of work are absolutely about us rolling our sleeves up, getting alongside local authorities and doing things together in a real partnership, rather than telling everybody what to do. But it is also about making sure we are properly learning; for me, the most important thing that my team and I need to keep doing is to go out and about talking to all the different authorities and making sure we understand the differences of approach and what it is like on the frontline doing this work in a rural authority or elsewhere.



## HOUSE OF COMMONS

**Steff Aquarone:** I don't speak on behalf of the Chair, but I am sure the Committee would be interested in hearing the results of those pilots as soon as they become available.

**Chair:** You speak on behalf of all the Committee.

**Steff Aquarone:** Thank you.

**Chair:** Alex, do you have something that you want to pick up from earlier?

Q300 **Alex Mayer:** We talked earlier about the fact that BSIP was about finding new services and that the Bill was particularly about protecting socially necessary services. The onus seems to be very much on local authorities to decide. Is there not a danger that, by putting that emphasis in the Bill, and in new law and legislation, you are incentivising local authorities merely to think about the socially necessary services and not, perhaps, about enhancements across the wider network that could potentially benefit more people and, in fact, become commercially viable if we put in the subsidy? Is there not a danger that, by having a long list of socially necessary services, you just work your way down that and do not think about the other part of having a successful network?

**Simon Lightwood:** I hear what you are saying, but I think it is in the interest of local transport authorities and local authorities generally. They want successful bus services. That equals social connectivity. That equals economic growth in their area. That equals young people being able to get to education, and people being able to access good, well-paid jobs. The incentives are plain to see already. Our job, as I have said a few times, is to give them the powers, skills, support and funding to be able to achieve that.

Q301 **Chair:** Talking of which, on the discretion that local areas have in spending their bus grant, we have heard that they could spend it on concessionary travel for young people. We have heard that they could spend it on buses to notspots. They are not going to be able to do all of that, are they? Are we going to end up with a system where one local authority will provide free travel for young people, and the next-door authority will not provide concessionary travel but will support a daily bus service to a particular village, so we get inconsistency? There doesn't seem to be an overall vision that we want to ensure that young people can get free travel and that we fill notspots. Do you understand the consequences of that level of discretion in such important areas?

**Simon Lightwood:** I understand what you are saying. Our vision is clear. We clearly articulate it in the Bill and other things, in terms of achieving affordable, reliable bus services connecting people, passengers feeling safe, and information empowering them. It can be either Westminster and Whitehall making those decisions or, in my view, local areas deciding how to spend that money to best benefit their local area.

Q302 **Chair:** That is absolutely true, although, as we saw in Ireland, they had a





## HOUSE OF COMMONS

national minimum service, and that is still possible from Westminster. It is possible that people in England, wherever they live, should be able to expect a basic bus service, even at a particular cost ceiling or something like that. It is what other countries have.

**Simon Lightwood:** Yes, sure.

**Chair:** If no one else has any other burning questions, Baggy has the last two.

Q303 **Baggy Shanker:** Thank you. We have heard about enhanced partnerships and the wide benefit that they offer. We also know that workers working with employers, local authorities and service users is important and effective. So can we get trade unions joining the EP forums?

**Simon Lightwood:** What is the actual guidance, Stephen? Is it quite flexible in terms of the membership?

**Stephen Fidler:** I don't think there is any formal rule one way or the other. The EP is ultimately a statutory document between authority and operators, but the governance involvement around it has a lot of mixed models. It is certainly something that we can look at. It is probably worth saying that we meet regularly with the trade unions about the changes we are making through the Bill and more widely to try to make sure that we absolutely have the employee perspective fed into the work that we are doing.

**Simon Lightwood:** It goes back to the review of enhanced partnerships. We can look at the memberships and what that contributes and, if there are good examples where there is trade union involvement, at setting out the benefits of that.

Q304 **Baggy Shanker:** Okay, thank you. Finally—I think you will like this one—on delivering better bus services—

**Simon Lightwood:** You had me at “finally”.

Q305 **Baggy Shanker:** You have said, “Delivering better bus services will ensure people have proper access to jobs and opportunities, putting more money in their pockets and powering growth in every corner of the country.” With that in mind, Minister, what changes do we expect to see in buses between now and the end of this Parliament?

**Simon Lightwood:** I go back to the beginning, when I talked about our vision for more reliable, more affordable, faster, better integrated transport that is safer in all aspects of the journey and where people have access to information to empower them to make decisions. I am not going to pretend that, by the end of this Parliament, we will have fixed everything, but I am convinced that we will have seen progress as a result of giving local areas the powers they need to make long-lasting improvements, going back to the multi-year funding. We will see the bus services Bill become law, I hope, and already delivering what I think will



## HOUSE OF COMMONS

be one of the biggest reforms to buses in over 40 years, with all the benefits that come with that.

I would expect many more areas to have adopted or to be exploring franchising. We will have taken action to provide the long-term funding that I talked about and greater transparency, going back to the data, for the public over the performance of their bus networks. Fundamentally, going back to that one word at the beginning, we would have begun to rebuild trust: trust that buses are going to get people to where they want to get to, that they are going to be on time, that they are going to be frequent and that they are going to be affordable. It is about rebuilding trust, and I hope that, by the end of the Parliament, we are beginning to see that happen.

Q306 **Chair:** More specifically, for all the Committee members' constituents, but not mine, will people living in England see more buses to more places in four years and two months' time?

**Simon Lightwood:** That is certainly our intention, and we are doing everything possible to make it happen.

**Chair:** We all hope so. That brings us to the end of this session. Thank you very much for your evidence today. As we always say, if there is anything you want to add, please send it to us in writing. This is the last session of this inquiry, and we found the session really valuable. We look forward to considering our recommendations to you on this topic and, in due course, to your response to our recommendations. That concludes today's meeting.