

Public Accounts Committee

Oral evidence: Local bus services in England, HC 892

Thursday 17 July 2025

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Members present: Sir Geoffrey Clifton-Brown (Chair); Mr Clive Betts; Sir Geoffrey Clifton-Brown; Anna Dixon; Rachel Gilmour; Lloyd Hatton; Blake Stephenson.

Questions 1-80

Witnesses

I: Conrad Bailey, Director General, Public Transport and Local Group at the Department for Transport, Stephen Fidler, Director, Buses & Inclusion at the Department for Transport, and Jo Shanmugalingam, Permanent Secretary at the Department for Transport.

Examination of witnesses

Witnesses: Conrad Bailey, Director General, Public Transport and Local Group at the Department for Transport, Stephen Fidler, Buses & Inclusion at the Department for Transport, and Jo Shanmugalingam, Permanent Secretary at the Department for Transport.

Q1 Chair: Welcome to the Public Accounts Committee on Thursday 17 July 2025.

Local buses are the most used form of public transport in England and are essential for millions of people to get to work, education, the shops and, most importantly, medical appointments. Buses are a particularly important form of transport for the young, older people and people with disabilities, and for lower-income households. They help to connect local communities.

The Department for Transport published its first national bus strategy back in 2021, “Bus Back Better”—I suppose the acronym was supposed to be so that we would remember the title. Despite successive Governments’ efforts to improve bus services and increase usage, however, the number of bus services and passenger numbers in England outside London have long been in decline. Today, therefore, we will examine the performance of the bus sector since 2020, and the ways in which the Department for Transport has intervened to improve bus services. We will also explore the Department’s plans to address barriers and improve those critical bus services.

We are pleased to have, to help us with that, a full cast of witnesses before us, including Jo Shanmugalingam—I will not say that again, but will call you permanent secretary or Jo hereinafter. Congratulations on your elevation to permanent secretary. We look forward to working with you and your Department. Would you like to introduce yourself, and your team to do the same? That would be really helpful. Also, will they say whether it is their first time in the Committee—which, Stephen, it is, probably?

Jo Shanmugalingam: As you said, Chair, I am Jo Shanmugalingam, recently appointed the permanent secretary at the Department for Transport.

Conrad Bailey: I am Conrad Bailey, director general for public transport and local.

Stephen Fidler: I am Stephen Fidler, director for buses and inclusion, and it is indeed my first time.

Chair: You are extremely welcome for the first time. We are not too frightening and I hope you will want to come again. To help us with our first question, Lloyd Hatton.

Q2 Lloyd Hatton: Thank you, Chair. Good morning. I will start with you,



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permanent secretary, if that is okay. From where you are sitting with a view of the Department, what do you think good performance looks like for the bus sector in England? Is there any clear timeframe for when it is that we reach good performance for buses in England?

Jo Shanmugalingam: The Government have been very clear on their vision for the bus sector with the legislation going through Parliament at the moment. That is, we want a bus system that enables people to go where they need to go, with connections there across the public and private transport system, and we have services that are more accessible, reliable, affordable and faster. We want a system where passengers are safe and, crucially, feel safe throughout their journey from arriving at the bus stop, and we want service information that is up to date and accessible. You can see from the Report over the last five years a number of interventions responding to extraordinary changing events, trying to respond to the challenges the sector has faced, to make real strategic investments to improve bus services, and arrest the long-running decline that we have seen since the 1950s. We are starting to see that in fare-paying customers.

The other thing we are focused on is setting out, exactly as you say, those outcomes that we want to see, both with the integrated settlements that are now in place and the pilot that we are starting this year so that everyone has transparent information about how bus services are performing in each local transport authority.

Q3 **Lloyd Hatton:** With that in mind, what actions are you taking? I appreciate that there is legislation coming through in this area, but what action is the Department taking to improve that co-operation with the bus operators and local transport authorities so that we can start to see better and more reliable services materialise? I particularly think about that in the context of my constituency. There are lots of rural communities in South Dorset where we have seen services become less frequent, reduced or scrapped altogether. Understanding the thinking at the Department so that we can start to reverse that decline would be really helpful.

Jo Shanmugalingam: Absolutely. I will start with the hard strategic interventions we are going to make. There will be legislation, as you say, and interventions that can help improve and enhance partnerships, and make franchising easier for local transport authorities where that is appropriate. The NAO rightly recognised that we have had a lot of short-term funding over the last five years. We now have a spending review settlement and we will be able to provide longer-term, simpler funding certainty for local transport authorities and operators. As you say, it is very much about how we can support and empower local transport authorities to make the best use of those powers and funding. Conrad or Stephen might speak about specific work. The Bus Centre of Excellence is just at the start of what it can do to bring practitioners together. We have certified training in place. Conrad might be able to talk about some work we did with Bournemouth yesterday to share the great work going on there with other local transport providers.



Conrad Bailey: One of the things that we do is try and bring together communities of practice involving operators or local transport authorities. Yesterday some of my colleagues held a session for 95 representatives of local transport authorities, where Bournemouth and Poole shared the best practice from their bus service improvement plan and showed what they were trying to do to address the issues you were talking about. We have a very important role in the Department that we need to get better at and move towards, which is to enable and support the many local transport authorities and operators to share best practice.

Q4 **Lloyd Hatton:** That strikes me as a really important part of how we reach good performance for the bus sector. You touched on it before, permanent secretary. Do you think that LTAs are in a position, or we can get them into a position, where they can start to begin to significantly reverse the decline in passenger numbers and in the number of routes and miles covered by buses in this country? I struggle to see this, after reading the Report and looking at my constituency. Do we honestly think LTAs are in a position where they can do that? Franchising is a really big change—something they have not been able to do. Do we think there is the expertise, the knowledge, the resource and the know-how for big rural LTAs like mine to suddenly start franchising services and being in the driving seat of what routes, services and fares look like? They have not really done any of that before. That has been solely in the hands of bus operators up until now.

Jo Shanmugalingam: I will start with the question of local authority capacity and capability and then move on, if that is okay, to franchising specifically. Not only can local transport authorities develop that capability, but they have to, and we have to support them to. You see that through the funding that we provide, which means that every local transport authority can afford at least one designated enhanced partnership officer, or equivalent, to support the local bus strategy. You also see it in the work that Conrad explained on communities of practice. Then there is the certified training. We are providing 100 free places for the new certified training for local transport authorities.

We are very clear that franchising will not be right for every local transport authority, and the model that Manchester has taken will not be right for every local transport authority. That is why we were pleased to announce pilot work in the spending review, starting with two local transport authorities—we hope to expand to more—to work through with them the feasibility of different models, such as the joint venture model where you grow out from tendered services into commercial services, so we can explore and then share that learning. As you say, it absolutely cannot be the case that all 79 need to start from first principles. We have great expertise that we can help share across the country.

Q5 **Lloyd Hatton:** What do you see as the timeframe for delivering that?

Chair: Hang on. We will come on to franchising a little later. Can we leave that for now, Lloyd? Is there a different subject?

Lloyd Hatton: Sorry—not on franchising. What is the timeframe for delivering the learning you are talking about and getting LTAs into a position where they can start to do the good work that you are describing?

Conrad Bailey: It is absolutely ongoing. It has been ongoing for some years. One of the things that is really critical coming out of the spending review, which is a big opportunity for us, is that we are in a position to provide local transport authorities with clarity on their long-term funding over the SR period. That means that they will be able to invest in that capability and capacity. We will keep doing the work that we are doing to try to share best practice and experience. Over the spending review period, I think we will see that capacity grow.

What I would say is that there is a very different picture in different parts of the country. This is an intensely local thing. When you look at the performance of bus services, it is not that rural is always more challenging. You see a real difference, even among the various areas you represent, in terms of the level of services and the level of recovery post covid.

Stephen Fidler: I can add to that and give you some examples. If you look at Cornwall, which is perhaps a pilot for the approach that we are trying to take of combining capital, upskilling the local authority and doing fair interventions at the same time, they are now 40% above their pre-covid patronage. If you look at East Sussex, which was another place we worked with quite closely through the BSIP programme, its patronage is at 8% above and vehicle mileage is 22% above where it was before covid. So we have some good practice examples that we can learn from and roll out. As you say, that is absolutely not universal yet. It is part of our role to share that and to make sure that the funding works to enable it.

That is one of the reasons why Ministers have changed the formula, so that the funding is much more equitably distributed this year. A lot of rural areas have got a much higher amount.

Today, by sheer coincidence, the Bus Centre of Excellence is running its rural transport event around how you improve bus services and what excellence is in the places where growth has happened. I am hoping that in itself will be an important moment.

Chair: Stephen, if I may I call you that—

Stephen Fidler: Certainly.

Q6 **Chair:** There are those of us who represent rural areas, and some of our colleagues represent areas where there has been a huge decline—Lloyd and Rachel have declines in the 20s, in terms of percentages. My own is a double-figures decline. How are you going to make the funding more equitable for rural areas?

Jo Shanmugalingam: I have the data here. The new formula that has been introduced for 2025-26 is seeing some very significant increases, particularly in rural communities. Gloucestershire and Dorset are both up



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66% on the previous year. Suffolk is up 71%; Buckinghamshire, 73%. In most of those areas, that is us providing capital funding for bus services and bus priority improvements for the first time in I think at least a decade.

Stephen Fidler: Yes, that's right.

Q7 **Rachel Gilmour:** Could I ask about Somerset?

Jo Shanmugalingam: I don't have that figure here. Do you, Stephen?

Stephen Fidler: Let me have a look. I am pretty sure that Somerset's funding has also increased. I have not got it handy, but we can provide that.

Q8 **Chair:** That is very helpful.

This Committee is all about measuring things, and particularly, hopefully, measuring improvements. It is all very well putting extra money into these LTAs, but will you monitor their performance to make sure that you are getting value for money from that extra money?

Jo Shanmugalingam: Exactly. That is the work that we will be doing through the integrated settlements in Greater Manchester and the west midlands, but now also through the bus indicator pilot that we are trialling with some local transport authorities this year, so there is a basket of indicators and everyone can see on a transparent basis—obviously including us in the Department—a range of metrics that show the bus services that communities are experiencing in each of those areas and how they evolve over time.

Chair: That is very helpful.

Q9 **Anna Dixon:** Good morning, and apologies for my late arrival. I want to pick up the theme that you have already started on about the decline in bus journeys as a result of covid and the differential in recovery of bus journeys. In my own area, covered by the West Yorkshire combined authority, the number of trips fell from some 168 million in 2011-12 to 108 million in '22-23. Like many areas, we have a bus service improvement plan, which is seeing some growth in patronage, but only about 4%. To go back to the examples that you talked about, what do you understand to be the main reasons why the numbers have not recovered in many parts of the country? Stephen, you mentioned a couple of examples. What are you learning about what has made the difference there? I don't know whether you want to start, Jo.

Jo Shanmugalingam: As I have said, we have seen since the 1950s a long-term decline in bus use, with the rise of private vehicles and then the big shock of covid. We are still seeing recovery from that, from '22-23 to '23-24, and we will get the latest data, I think, in November of this year in the annual statistics. The indicators we get at national level from ticketing are showing improvement, but that is not the same quality of statistics as we will get with the annual data.



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There are lots of changes within the overall level of bus usage. Fare-paying customers are nearly at pre-covid levels and are above the trend rate of decline, showing that the corner is being turned at national level, excluding London. The area where we are seeing a real decline is in concessionary travel use, particularly by the over-70s, where we are seeing both fewer people having concessionary cards and people making less use of them. Some of that is mirrored in what we are seeing in the national travel survey and trends generally—people taking fewer public transport trips for shopping and personal business, like going to a bank. Obviously, less commuting is affecting younger age groups. But bus and concessionary bus use are particularly affected, and this is something we are very focused on. Therefore, some of the measures in the Bill are particularly to ensure continuing accessibility.

One interesting thing within all the stats is that the efficiency of bus usage is increasing. For the first time in, I think, over a decade or maybe even longer—I think since 2005—the average number of people per bus is over 10, which is great from a cost of bus services and carbon point of view. So there are some green shoots, but we are concentrating very closely on this, hence all the work with local transport authorities so that they can provide the right measures to support their communities.

Q10 Anna Dixon: Efficiency sounds positive, but if it is because so-called uncommercial routes and uncommercial times have been cut, then from the point of view of the customer it is not a good thing. For lots of people in my rural villages, there are simply no buses, certainly at times of day that are of any use to get people to school, to work and so on. I am just giving the other side of your efficiency point of view.

I was really trying to get at the reason; it was a “why” question. You have painted the picture of what has happened to the trend, but is there anything more qualitative about why people are not returning? Have they got used to sitting in their cars and that is much more convenient? Or is it that older and disabled people are still worried about getting covid and do not want to go into a confined space? Have they got fears about that? It was a “why” question and I did not really hear the answer, so if there is an answer to that, I would be pleased to hear it.

Conrad Bailey: Certainly we can help here. If we take your area, recovery among fare-paying customers is about 98%. For concessionary fares, recovery is about 68%, so to the point that Jo was making, the issue is absolutely the people who would use concessionary fares. We do not fully understand why that is, but some of the reasons that we think are behind it are the points that Jo was making about the fact that we can see less use for shopping and personal business travel, particularly by the over-70s. I think that has dropped by 8%, so that is part of it.

One of the other things that we can see is that the number of concessionary fare passholders has dropped by about 5%. At the same time, 7% more people have become eligible. We think there is something about the take-up here—maybe it is about habits being lost during covid. One of the things Stephen and I are thinking about as we take forward the

next phase of bus reform is how we work with local transport authorities and operators to encourage people to take up their concessionary bus pass and use it. It is vital, and there is stuff we can do in this space that should really help.

- Q11 Anna Dixon:** It puzzles me. We cannot address the problem unless we know what the barriers are in terms of people's motivations and behaviour change. The Committee has received some evidence, not just about why people have not returned after covid, but about why they do not use buses generally. It is things like not feeling safe, buses not being convenient, the congestion and buses being slow and unreliable.

What comes up regularly with my constituents is ghost buses. They are really not reliable. You go and stand at the bus stop at the time you think a bus is coming and it does not, so you end up having to pay for a taxi to get to whatever appointment you are trying to get to. Next time, you do not even go to the bus stop; you just get the taxi. Even with the mayor's cap and the continuation of the £3 cap, affordability is still an issue—not for people who are concessionary, but for low-income households. We need an answer to the why if we are going to address it.

Stephen, on the lessons learned, you mentioned Cornwall and East Sussex. According to the NAO Report, 14 other local authorities have outperformed recovery. I am trying to delve into more than just, "Are we learning lessons?" What do we know?

Stephen Fidler: There are a few factors. There are a few outliers in some of that data, particularly local authorities on the margins of London, where we think the London bus services and growth in sustainable travel might be impacting some of those numbers—in Slough or Heathrow, for example. But if you look at the others, the pattern is grounded in exactly the point you were talking about. It is about understanding what is not working for the passengers in your area and relentlessly focusing on that.

What did Cornwall do? It sorted out information and it brought everything together. There are not lots of different bus operators; there is a single Transport for Cornwall brand. It worked with the operators, looked at the timetables and looked to integrate it with rail. It made the ticketing really simple. It has an app and a website where you can find out exactly where your bus is. That is for all operators, and it draws on some of our data systems. It also has a single vision of where it wants to go. It has probably led the way in having what it calls the "one public transport" network. There is some funding from us there: we have put in £23 million for a fares pilot, which cut fares by a third. It shows what can be done.

If you look at East Sussex, the issue was more to do with reliability, so it is focusing quite relentlessly on the reliability aspects. It also focuses quite a lot on bus stops. We see the same in Warrington, which has invested quite heavily in making people feel safe at the bus stop and making it a better waiting environment. It focuses quite hard on the punctuality aspects. It has also recognised that in the rural context of some of its area, a traditional bus service probably cannot achieve what needs to be



achieved, so it has rolled out demand-responsive transport for that area using our funding.

We are doing work on pilots in that space with a number of authorities. It provides more tailored connectivity to get to more destinations more easily. That combination and some really good local leadership are important there.

Anna Dixon: That is very encouraging; thank you.

- Q12 **Sir Geoffrey Clifton-Brown:** Following Anna's questions, one of the worst stats in the Report is on page 18, paragraph 1.9: the total number of concessionary fares has fallen by 29% post covid. Stephen, I think you said that it had improved by 5%, so there is still a long way to go. Bearing in mind the exclusion of people who are likely to use concessionary fares—they, unlike the rest of us, probably have no choice except to use the buses—I wonder whether enough is being done in this sphere.

Stephen Fidler: We are working quite hard to drill into the evidence and the data, but it is quite hard to get into. For example, we have asked Transport Focus to do some work for us around the attitudes, the behaviours in the past and what is going on with that sector. From that, we picked up some anecdotal evidence that it is indeed in part about perceptions of personal safety and catching an illness on the bus for the more vulnerable sector.

There is definitely something in the data we have about changes in travel patterns. For people who would have gone to the shops, perhaps the quality of a shop or a coffee shop in the high street is not there, and they are much more likely to walk, if they are able, than get the bus to do a shorter trip, or to use online shopping rather than go to the shops to do their daily trip.

- Q13 **Lloyd Hatton:** To build on Anna's "why" point, figure 5 in the Report shows Somerset and Dorset in a very poor position in terms of changes in bus passenger journeys. Isn't that one of the reasons why—that some people have seen a huge decline in the number of services, with bus services being fundamentally poorer, taking them to fewer places and being far less comprehensive? I have whole villages, and bits of towns, where there was a bus five years ago and there is not a bus now. The bus does not exist, so why would you take the bus? How are we going to recover? Is that not one of the big reasons why?

Jo Shanmugalingam: Absolutely. There is a total circularity. That is why such a comprehensive programme, with the level and breadth of funding, is now being provided on a formula basis. Obviously not all local transport authorities benefited from the same level of service improvement funding that we provided over the last few years. There is the legislation, with new powers, data and information. We absolutely need that comprehensive reform, and the Government are committed to it, so that we can support local transport authorities in areas that are in that negative cycle to break it and improve bus usage. That is absolutely the vision that the Government have and want us to deliver against.



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Conrad Bailey: This is also where community transport can play an important role. In your constituency, I recently met ECT, the Dorset Community Transport. It is doing work to think about using home-to-school transport to provide connectivity for different parts of the population in the other hours, and do so in a way that links up to bus services. That is another way that we can help to tackle the cycle by reconnecting people to bus services.

Chair: That is a helpful answer. We might come back to that.

- Q14 **Blake Stephenson:** Mr Bailey, you prefaced your response to Anna's "why" question with "in your area", unless I misheard. Were the reasons that you gave general, national reasons, or were they specific to Anna's area? It seems to me like there is a divide between urban and rural here. Could you talk a bit about the reasons in urban areas versus those in rural areas and what lessons you have learned from that work?

Conrad Bailey: My points were general, but that illustration of a 20% or 30% difference is not unusual. We are seeing that the recovery in rural areas is particularly challenging, and quite a lot of that is driven by where there is concessionary travel. The other thing we have seen over time is a shift between the north and the midlands, where in the 2010s, pre-covid, we saw patronage levels drop quite significantly, and some of the southern towns and cities—university towns—where the population has driven up usage. For example, Brighton and Hove has seen some impressive growth, which we believe is probably driven to a large extent by student populations.

When you look at passenger perceptions of the quality of bus services, however, it is striking that some of those that perform best are in rural areas—I think Derbyshire is an example—some are in what I call urban areas, and some are in urban metropolitan areas. It is a mixed picture. Local leadership and focus, the culture of bus use and, of course, the quality of services are real drivers. That is why we are now trying to make sure that, when we are providing funding, we are doing so on a formula basis that takes into account not just mileage and population, but deprivation, given the critical targeting of buses there.

- Q15 **Blake Stephenson:** It makes sense that there are general themes, but looking at a local level makes total sense and looking towards local leaders for the solutions is important. In my area of Mid Bedfordshire, we have seen a collapse in the commercial viability of certain routes, and then a demand on the local authority to subsidise them.

As we all know, there is not heaps of cash to subsidise bus routes that are used by one or two people a day, so we end up in a cycle—I must declare an interest as a Central Bedfordshire councillor—of a lack of commercial viability and not having enough money to subsidise. That means there is not a service for the people who genuinely need it, because there are no other options. We are probably going to get on to some of those points, but I would love to hear what lessons you have learned and what you think the solutions are to that challenge, which I think is prevalent

throughout rural England.

Jo Shanmugalingam: I will start with what we have learned already from enhanced partnerships, and therefore the lessons that have already gone into the legislation before the Commons at the moment. In general, I think there is a positive response from local transport authorities to enhanced partnerships. We definitely see that some are working extremely well; with others, there is more to do and more we can do to support them and to help them support each other.

The first phase of our evaluation led to some of the changes that are before Parliament at the moment in the Bill: making it easier within enhanced partnerships to make changes where needed, but also recognising socially necessary services and putting in place the necessary protections to ensure that the best decisions can be made. Stephen, do you want to add to that?

Stephen Fidler: I agree. We are absolutely seeing collaboration improving significantly in the work we did; I think about 96% of authorities said that enhanced partnerships had made a fundamental difference in their levels of collaboration. We are making sure that everybody is doing the basics that do not cost money and can drive satisfaction, such as having common timetables and common fares. Making sure that people know where buses are when they do exist and that they are able to access them does not cost money; it just requires collective effort and collective pooling of resource. That is some of the key learning we are looking to roll out.

Q16 **Rachel Gilmour:** In England, there has been a 15% reduction in the distance buses cover since 2019-20. How worried are you about that, and what are you going to do to make sure that it goes back up?

Jo Shanmugalingam: All the measures you are seeing the Government take are because we absolutely recognise the critical role that local bus services play in all communities. There is therefore a breadth of action from the spending, where despite the spending challenges, we are protecting support for revenue for local transport authorities and for operators, introducing legislation to make it easier for local transport authorities to create the right service, and offering support and information. That is all because we absolutely recognise the role that bus services play, and we want to see bus use and mileage increase.

Q17 **Rachel Gilmour:** My constituency is very rural. West Somerset is particularly poor with bus services. We have one No. 28 bus, which turns up when the bus company thinks it ought to, and if it does not think it ought to, it does not turn up. I noticed from the Report that there have been significant reductions in commercial routes, but particularly in rural areas—a 21% reduction—where more services now need local authority support to operate. Local authorities are not getting the money from central Government, so my constituents are left at the whim of a bus company. How are you going to get around that?



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Jo Shanmugalingam: As I said, there are a range of measures. We have this dedicated bus funding, which is going to provide the same level of support, as well as the fare cap for the operation of bus services through the spending review period. There is also information. First, we already have the bus open data service, which requires operators to declare reliability information, so people can see it. There is the indicator pilot as well, so that across all the measures that I think the Committee is interested in, local communities, we and you can see the performance in different areas, and call to question when that is not acceptable.

Stephen was there—I was not—for the bus service improvement plans, which asked all local transport authorities to set out what they are going to do, what services they believe are needed and how they are going to work with operators in their area to improve them. That seems to me a really important development. We will refine them, and there is more we can do through them, but I think with the reforms of the last five years, in a more stable environment, I am optimistic we will see improvements and be able to reverse some of these trends.

Q18 **Rachel Gilmour:** Will local authorities be mandated to ringfence the money they receive for buses?

Stephen Fidler: Our expectation at the moment, which is set out in the grant letter, is that the money should be spent on buses. It is not formally ringfenced, but we are monitoring the spend and making it very clear that, if it is not spent in that way, we reserve the right not to give more money in the future. Effectively, on the ground, it has the same impact.

Q19 **Rachel Gilmour:** Okay. What about bus services that are not pulling their weight and are letting people down? What sort of sanctions are there for bus companies like that? I am thinking of First Bus in my constituency.

Conrad Bailey: There is a number of areas. First, I would expect the contractual arrangement and the relationship in the enhanced partnership between the local transport authority and the bus operator to lead to some really tough and challenging discussions. Stephen, my team and I regularly meet the major bus operators—clearly, there are many operators across the country—and we have those conversations about the quality of service they are providing and how they are investing, for example, in rural services and those sorts of things. An example in your constituency would be that some of the money we have invested has led to improvements in the Minehead depot, which is designed to try to help this sort of thing.

Q20 **Rachel Gilmour:** That is not my feedback. Could I ask you to seek out First Bus for a meeting, because the situation is dire at the moment?

Conrad Bailey: I will do that.

Rachel Gilmour: Thank you.

Chair: There you are—well done.

Q21 **Anna Dixon:** We have talked a bit about money and the public subsidy;



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the Public Accounts Committee is particularly interested in whether we are getting value for money for the public purse. Obviously, the subsidy peaked during the pandemic at 77% of revenue, and while there has been some recovery, it is now at 50% of revenue. Do you envisage that dropping further? If so, do you have any view on what it will settle at?

Jo Shanmugalingam: Conrad, do you want to talk about some of the international context? We are coming to be more like some of our peer economies.

Conrad Bailey: Our sense is that 50% is a pretty typical number for a subsidy level or support level for bus services, if you look at our international comparators. One of the interesting things is that you can separate out the money that we are investing to support people to get to opportunities, to jobs or to health, such as fare caps and the like, and the money that we are actually investing to maintain the services. We judge that you have to keep a balance of both of those: maintaining bus affordability for people and making sure that you are putting enough in to support the services, particularly the socially necessary ones, that might not otherwise be competitive.

Over time, we hope that we will see, with enhanced partnerships and franchising, that some of the measures that can be taken—for example, the measures on bus priority to ensure that buses run more effectively and efficiently—will help reduce the overall operating cost of buses. You will need fewer buses to run the same route on the same timetable. That is where you may begin to see some benefits.

Q22 **Anna Dixon:** On the public subsidy for socially necessary services, with local authorities' budgets being very squeezed, we have seen Bradford council having to review school buses, which obviously makes it very difficult for parents to be confident that their children can get to school safely and on time. Would you see some of the public subsidy continuing to ensure that school buses can run?

Conrad Bailey: DfT does not provide funding for school buses, but clearly there are two elements of the home-to-school transport budget: the SEN funding and the other home-to-school funding. That will continue to be paid through the local government finance settlement, which MHCLG pays, along with some of the other support for concessionary fares and the like. What we will do with our bus funding is very much focused on those commercial services, or the broader socially necessary but open services.

Q23 **Anna Dixon:** The point is that, if the commercial services were operating more in the public interest, we might have less need for school buses. It seems that the two things could be better co-ordinated, but I appreciate that the money is in different places. The final point on money is capital, which you mentioned earlier. One of the key problems with making buses more popular is the vicious cycle that, if the buses are not reliable, people are more likely to be in their cars. In my constituency there are real bottlenecks around traffic congestion, particularly at peak hours around school time, as well as commuter time. How are you going to ensure that

sufficient public funding is going into capital projects specifically designed to prioritise the flow of bus traffic?

Chair: Can we have just one question? Our poor witnesses will forget every question otherwise. One brief question, please.

Anna Dixon: Capital.

Jo Shanmugalingam: Let me start. For the major cities, we have announced the five-year transport for city regions settlements, which devolve capital funding to enable those mayoral combined authorities to take decisions. We have also put in place the local transport grant, so everyone has that. We have our spending review settlement now as a Department. We have to do our own business planning on further capital allocations, but we will be able to update the Committee when we have done that.

Anna Dixon: I would be grateful for an update specifically on that.

- Q24 **Chair:** Conrad, I wonder if you are being a little complacent about the international comparison. We have had evidence from an organisation called Centre for Cities, which said, "UK cities also perform poorly compared to European counterparts. The share of people who can reach the local city centre in 30 minutes is below the European average in almost all large European cities, effectively shrinking the size of the labour pool in urban areas. This poor connectivity costs the UK economy." I wonder, are we actually doing well compared to our European counterparts?

Conrad Bailey: Apologies. I took that question as being about the level of financial support provided by the Government.

Chair: It is outcomes we are interested in.

Conrad Bailey: I completely agree with you that there is a lot of learning we can do, if you look at places such as Dijon and elsewhere around Europe, in terms of bus connectivity and place. That is one of the things that the work we are doing on the integrated national transport strategy at the moment is focusing on. What you find in many of the best examples in Europe and elsewhere is a really connected system; it is about not only the buses, but the mass-transit schemes and the linkage to rail. That is a big focus because, as you say, the evidence shows that it is much harder for people to get into our city centres to access opportunities and the like. I would completely agree with that.

Chair: Thank you for clarifying that.

- Q25 **Mr Betts:** That is a helpful answer. At some point we might come and have a discussion about that wider issue. My observation from going around European cities is that buses are often not the main form of transport—it is light rail. I am afraid that the Department has had an aversion to light rail over the years. We just have not invested anything like the same amount of money in it. But I will not ask you to comment on



that at this stage.

Moving on to bus services, I did a review of bus service in South Yorkshire for the then Mayor, Dan Jarvis, who is now the Member of Parliament for Barnsley. It finished just before covid. We found that the major problem was not actually cost; it was availability, because the routes did not exist anymore; it was frequency, because if the bus now only comes every two hours instead of every 30 minutes, you are less likely to bother to wait for it; and it was reliability. As Anna just said, if you go there, stand at the stop for an hour and it does not come, that puts you off going next time. Have you got measures to show that your bus service improvement plans, and the grants you gave, have actually improved any of those things significantly across the country?

Jo Shanmugalingam: If I start, perhaps Stephen can carry on. Those are exactly the sort of measures that we want to look at and we will be testing through the indicator pilot. Reliability, affordability and frequency are what the Government are seeking to achieve with all these bus service reforms, because it is only with those things in place that we will increase patronage and therefore have the benefits and outcomes of bus usage. We know that regular timetabling, rather than timetabling optimised for the efficiency of the route, is what encourages people—they know what is coming. We can make the data available, but do you want to talk about what we have learnt so far, Stephen?

Stephen Fidler: Certainly. If I go back to the BSIP funding allocations that we did in the first round that were competitive, the focus that the plan had on improving exactly those issues, because they are the core things that drive people's take-up and satisfaction, was fundamental. If you did not have good bus priority plans and good things to focus on in the plan, such as punctuality and reliability, you were highly unlikely to get funding in that first phase. I think the NAO Report draws out, quite rightly, that a lot of those capital projects have not yet been delivered. There were some particular challenges in the delivery of that programme. It was always envisaged to be a three-year programme, and a lot of the money actually only went out about two and a half or two years ago, so we are not quite at the end of that timescale yet.

There have been real challenges in making that happen on the ground. That is one of the areas we need to upskill authorities in, but there are some really good signs. If I go back to Conrad's example of Bournemouth, Christchurch and Poole, part of what they were doing yesterday was explaining how they are doing what I call a yard-by-yard review of the key corridor. Where do the buses get delayed all the way along here? Where do we need to extend the bus stop length? Where do we actually just need to make it clearer that this is a bus lane? Where do we need to sort out the lines? Where do we need to enforce the existing double-yellow lines? That relentless focus alongside the money is driving change.

Q26 Mr Betts: Okay. I know you are going to give us all the good examples today, but for every good example, we know that there are an awful lot of bad ones. Are you focusing on those as well? Look, I am going to be



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honest about this: where BSIP money was allocated, a lot of it simply went in revenue support to keep the services running during covid. Isn't that where it went?

Stephen Fidler: Quite a lot of the funding did initially. The first tranche was about new funding, but very deliberately, there was a conscious decision in tranches two and three that this was about supporting services because that was the need at the time. There are good examples, but it is a mixed bag; I totally agree with that. There are a lot of areas where delivery is not as strong, and you can see that in the patronage numbers. You can also see that in the times it is taking to deliver those capital investment programmes. Completion ranges from about 20% of projects on the capital side complete in some authorities, to about 60% in others. That is the spectrum.

Q27 **Mr Betts:** So what are you doing about the ones that are at 20%?

Stephen Fidler: They are the authorities we are talking to most frequently. We are understanding in detail across the programme what those risks are, and we are focusing some of the support we are providing through the Bus Centre of Excellence and others on how to crack some of those local challenges.

Q28 **Mr Betts:** Let's move on to the issue of competitive bidding, which I suppose grates a bit in South Yorkshire, where we have seen a 50% fall in bus passenger miles since 2010. I think it is one of the largest in the country, yet in the first round of BSIP, we got nothing at all—not a single penny came from the Department—so the system was a bit flawed, wasn't it?

Jo Shanmugalingam: Competitive funding was the decision Ministers took for that first round of BSIP funding. The last Government moved to the formula allocation, which is what you, your constituencies and local transport authorities are seeing for this financial year. This Government have committed to continue and refine that formula allocation process.

Q29 **Mr Betts:** Right, so are we getting to a point where grants are simply going to be given to the local authorities, the mayoral combined authority or whatever the transport authority is in the future? That is the direction of travel that MHCLG are going in with local government anyway. I think we were told that, during the period of this Report, there was something like 13 separate grants for buses. Well, that is no way to run a bus service, is it?

Jo Shanmugalingam: Absolutely. Some of that was responding to the extraordinary events of the last five years and the action that the Department took to keep bus services operating with the additional support through covid and then the support for passengers with the fare cap through the cost of living crisis that followed. The 13 schemes were not all running at the same time, but we absolutely accept that we now have an opportunity with the long-term spending review to give local transport authorities that long-term, simplified certainty. We have already



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taken measures, and maybe Stephen could talk a bit more about how the allocation is going to work in future.

Stephen Fidler: Certainly. We are going to work through with Ministers what the allocation formula will be in the future. I strongly suspect that it will continue to have the elements that it has at the moment around population deprivation and bus mileage, but if I look at the South Yorkshire example, under the competitive process and then moving to formula, over four years I think about £14 million of BSIP funding was allocated. For this year—the year that started in April—the local authority bus grant on the formula basis has gone up to £17.5 million for the one year alone, so that is the kind of difference that it can make.

- Q30 **Mr Betts:** Let's move on to infrastructure. We mentioned the importance of that a number of times. What are the challenges there? When I have raised issues before, the bus operators have said to me, "But we'd do a lot better if we didn't have this traffic jam and that traffic jam", and then the transport authority—or the councils that often fund the transport authority through a levy—say, "Okay, but we've put these priority measures in, and we've got no guarantees that the bus companies will actually respond by running better services, so what is the point?"

Jo Shanmugalingam: That is the very purpose of having an enhanced partnership, where effectively—

- Q31 **Mr Betts:** We have had an enhanced partnership in south Yorkshire for a long time; it does not seem to have worked.

Jo Shanmugalingam: Making sure enhanced partnerships work really well, or that a local transport authority is able to move to franchising if that is the right thing for them, so that everyone can contract in whichever form, to understand what investment will be made in infrastructure and technology, and then in services.

- Q32 **Mr Betts:** Let's come on to other forms of infrastructure; we will come back to franchising, which is the next step on from enhanced partnerships, in due course.

Another thing where it is said that infrastructure spending has not really happened is ticketing. I remember that, as part of the review, we had a local bus company come in and they showed us the manual for fares that they gave to a new driver. It was 30 pages long. Now, if a driver has problems digesting 30 pages of information, a passenger has got no chance at all.

You cannot get a ticket to go from one bus company to another, because they do not take them, so getting from bus to a tram, if the tram is run by a different organisation, is a problem—but in London, you just get around with the—

Chair: Oyster card.

- Q33 **Mr Betts:** Yes, Oyster card, or your own contactless card now, and you get the cheapest fare whatever. Why has the Department not been working to get similar arrangements in place outside London?



Jo Shanmugalingam: Let me assure you that we are—maybe, Conrad, you can explain what we are doing—because we totally accept the challenges of ticketing and what they do to patronage.

Conrad Bailey: Absolutely. I will just work through what we are doing. In places where franchising exists, such as Greater Manchester, or in places where it will exist in future, that gives the local transport authority control of fares and ticketing. You can see in Greater Manchester, for example, that there is real progress being made there on that integration of ticketing across the Bee Network.

One of the things that the Department and my rail colleagues are doing is working with Greater Manchester and the west midlands to look at how they deliver more integrated and contactless ticketing in those locations, as trials or proof of concept.

In the case of enhanced partnerships, I think that Stephen gave a good example earlier. There is quite a lot that can be done in the most forward-leaning places, for example Cornwall, where they are developing integrated ticketing offers.

One of the things that we have used some of our BSIP funding on is working with places to invest in smart ticketing. Currently, I think that 92% of buses outside London have contactless card payment, but that is clearly not enough, and I think the point you raised around multi-operator ticketing is really key. We are doing a project at the moment with Transport for West Midlands and Midlands Connect, which we hope can be rolled out more nationally and which will allow that multi-operator ticketing. That is very much a focus for us, because we recognise that it is one of those things that people say really matters, and we all know from our own experience that it really matters, when you take a bus.

Mr Betts: There should probably be some measures in the future about what improvement that makes to passenger numbers. However, there is also journey times. The figure I received that absolutely staggered me is that 30% of a journey time in an urban area in south Yorkshire is taken up with people getting on the bus to pay—30%. That is a staggering figure. If you can get that figure down, that is as good as any bus priority measures.

Q34 **Chair:** I will bring in Lloyd in a minute, but first, on a point of clarification, Stephen: on your list of factors that drive the formula, you did not mention rurality. Given my comment at the beginning of the session that it costs more to run a bus service per mile in rural areas than it does in urban areas, is rurality one of the factors that will be taken into account in that formula?

Stephen Fidler: It is certainly one of the factors that we will consider with Ministers for the future. It is not in at the moment. The previous decision was that using some of the funding indicators for much tendering money has been going in from a local authority was a reasonable proxy for that, but we are absolutely looking again at that question.

Jo Shanmugalingam: Stephen, am I right in saying that the actual bus service operator's grant, which goes directly to operators, is based on mileage?

Stephen Fidler: It is a combination of fuel and mileage.

Q35 **Chair:** That brings me on to my next question. I think there are 13 different grant streams referred to in this Report. We need to simplify this, don't we? I know that there are separate grants for things such as zero emission buses, but will your formula, by and large, be for just one or two grants?

Stephen Fidler: With local authorities, our intention—apart from zero emission buses—is that there will be one grant. Right now, for buses we are essentially down to four.

Chair: Brilliant; that is a very helpful answer. Lloyd Hatton.

Q36 **Lloyd Hatton:** Building on Clive's points, it strikes me that, once the buses Bill has been implemented, there are two different routes for an LTA to pursue if it wants to fundamentally alter the local bus provision. Either it can continue down the enhanced partnership route and try to build that and make it a success, or it can maybe look at a more direct way of getting involved via franchising.

With that choice for LTAs in mind, what lessons have you learned so far from the introduction of enhanced partnerships? Obviously, that is something that has been going on for a few years now, including in my part of the world, in Dorset. What has worked well there? And what has perhaps not worked so well, which might be why LTAs could increasingly look at franchising as an alternative?

Jo Shanmugalingam: The other tool that will be more available through the legislation is the ability to set up local authority bus companies. We obviously see some very successful ones—Nottingham, and I think Warrington—as well, so that is another tool that will be available to local transport authorities.

As I said, we continue to evaluate what we can learn from the enhanced partnerships so far. They are still in their early days in terms of making a difference, but we concentrated in the first phase of that evaluation on measures that needed legislation if we were to change them, learning about how we could simplify the operator objection mechanism, the information that is provided within the partnership and widening the scope of measures that can be included. I guess this goes back to some of the earlier questions, but the evaluation is now continuing to identify what really drives great collaboration in an enhanced partnership and, where we do not see that really effective collaboration, what it is that is missing.

Stephen Fidler: I think that three things have been fairly key learning for us. First, perhaps unsurprisingly, they have worked better where there has been money on the table for the local authority. The concept is that the local authority and the operator make commitments, which then become effectively legally binding through the statutory scheme. If the authority is

able to make fewer commitments, then it is more difficult, so the reforming of the funding should help with that, with a more even distribution of money.

Secondly, I think there is a bit of a tendency in some places for enhanced partnerships to become almost talking shops rather than be focused on action. That is one of our learnings from the review. We particularly found that, where there is some independent chairing and independent leadership, that really brings the focus back on to the passenger. That is really key.

A third key learning for me is about really rooting it in the evidence about what passengers are experiencing. If you start with the Your Bus Journey data from Transport Focus, you tend to drive better outcomes through your partnership.

There is also a real spectrum. At the risk of picking the good ends, if you look at Leicester, they did not get a lot of money from us, apart from zero-emission buses, but they have driven 100 commitments over three years. They are co-ordinating timetables between operators on I think nine corridors, and, actually, multi-operator ticketing is now a third of the market for tickets in Leicester. That has all been done primarily via the zero-emission money and the collaboration partnership.

In Portsmouth, there has been fantastic collaboration and partnership. Money helped, but, even without that, a very large element of the outcomes that they are delivering—they got patronage above 12%, up from pre-covid—is down to the quality of partnership. But loads of other places are very far back on the journey, and we need to help them get up there.

Lloyd Hatton: And you are currently reviewing enhanced partnerships to see whether or not they work.

Stephen Fidler: We are.

Q37 **Lloyd Hatton:** That is what is quite striking. We have had the enhanced partnership in Dorset in place for a few years now but, at the same time, we have seen a continual reduction in services, or in the frequency of services, and we have seen cutbacks continue. I appreciate that funding constraints will often be one of the reasons why those decisions are made, but I suppose that, for some parts of the country, there has not really been any discernible change. It would therefore be useful to know what your review is going to do to look at some of those areas where there have not been great outcomes like the ones that you have described to us today.

Stephen Fidler: There are two things that I would draw out. The review is actually with Ministers at the moment, for them to have a look at and see what they think of it, but the sort of themes that I am expecting to come out are around how we actually help and support those places that have not had the most successful journeys to learn from the others, and how we build that into the work that we do with the Bus Centre of



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Excellence, with the kind of support sessions that my team run, and elsewhere. That upskilling and helping is really important.

Secondly, how do we actually set some minimum expectations? A minimum expectation for DfT funding at the moment is essentially that you have an enhanced partnership and it has a passenger charter, but I think one of the questions for Ministers to think about is whether we want to actually put in some minimum expectations about some of the low and no-cost things that we know drive change, for those to be put in the partnership as part of the outcome everywhere.

Jo Shanmugalingam: More generally, I think you see in the Report that the Government have tried a lot of different things over the last five years. From interacting with the bus market in totally different ways, we are learning what is really successful and what is less so. The Government's vision is really clear that the same quality of bus service—right for the local community, but the same quality—should be everywhere. We are now at the phase where we can learn from what has been good and what we can do to apply those lessons right across the country.

Q38 Lloyd Hatton: With that review, and in line with the buses Bill going through Parliament now, what do you think are the timeframes for when we can start to see LTAs feeling like they can deliver an effective, enhanced partnership, which so far has not been that effective, or pursue other routes, whether franchising or indeed something else?

Jo Shanmugalingam: If I start, Conrad might add some comments. The big moment will be when we can set out the long-term funding settlement for each individual local transport authority. They have got the allocations for this year, but when we can do that, and therefore when they have the stability of the legal framework and the stability of knowing what we will be providing through the training centre of excellence and the provision of data, I hope that will give local transport authorities the confidence to set out the next phase of their plans.

Conrad Bailey: I have maybe three points to add. Jo has talked about the long-term funding. I think that will give people confidence to invest in their bus capacity, and we are doing a lot to support them to develop those skills and share best practice. The legislation will really help in this space, particularly with things like socially necessary services, by placing stronger requirements on operators and local transport authorities to try to find solutions where changes to those may be proposed.

The other thing that is striking to me is that you can make a big difference quite quickly in bus services if you have the right local leadership on both the operator and the local transport authority side. Warrington was not a good performer, but it managed to increase its performance by 8% in the space of 12 months, which is a really significant shift. If we get the right enhanced partnerships in place, it is possible to take some of the measures that do not necessarily cost a lot of money and that drive real change quite quickly. We saw the same in East Sussex, if you look at the Transport Focus surveys there. It can be done.



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Q39 **Chair:** I am going to take a break in a minute, but I have just one point first. Conrad, my suspicion—although I have no evidence to back it up—regarding this new formula is that the authorities that are running a poor bus service are probably moving some of the money into other services. Can we have very clearly on the record this morning whether or not you are going to ringfence this new money?

Conrad Bailey: We are working to make sure we are clear what money we are providing for buses. We are working with MHCLG more widely, in terms of local government funding settlements, and one of the things we are very focused on is ensuring that funding for local transport, including buses, is clearly protected in that regard, because we know it is so vital for all of the Government's missions—growth, opportunity, et cetera.

Q40 **Rachel Gilmour:** Is that a yes?

Conrad Bailey: At the moment we are working on this with local government and with MHCLG. We have not yet concluded that work, but we are very clear about the importance of preserving that money to be spent on buses.

Q41 **Chair:** My suspicion is that, as my colleague Rachel is indicating, if you do not ringfence it, it will wander. I understand that you cannot give an answer today—I do accept that—but this Committee will, I suspect, make this clear.

Conrad Bailey: We very much recognise that risk.

Rachel Gilmour: We'll put in our report, won't we?

Chair: Yes.

The clock is now showing 11.04. I think we will have a relatively short break today. If we could take a five-minute break and be back here promptly by about 11.10, that would be really helpful.

Sitting suspended.

On resuming—

Chair: Welcome back to today's hearing.

Q42 **Rachel Gilmour:** The switchover or adoption of zero emission buses appears to be a relatively positive move because between 2021 and 2024, 56% of all new sales were for zero emission buses. You have a relatively ambitious aim to have local services with net zero emissions buses no earlier than 2030—although my view would be to just say by 2030. Are you on track to meet your ambition to get them all zero emissions by then?

Jo Shanmugalingam: Progress over the last few years has been very positive, with the zero emission bus regional area funding programme and over 50% of new bus sales last year being zero emission, up a third on the year before. There are still low levels of penetration in the total fleet—we see this in domestic cars as well—with 7.6% of the total English fleet, and



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4% outside London, because London made earlier progress. Some 50% of bus depots are electrified, which is positive and shows what is possible. Every pound of that funding has attracted over £3 of private investment as well, and that proportion is increasing.

The date is a question before Parliament at the moment, but we have been clear that it will not be before 2030. It is about the introduction of new buses on local bus services. Particularly in rural areas we do not expect the range to necessarily be available from 2030, but with the lifecycle of vehicles and the improvement in battery technology, the Government felt it was an important moment to signal for bus manufacturers and operators what we intend for the future.

Conrad Bailey: We have a lot of work going on at the moment with bus manufacturers on how we make sure that there is a clear manufacturing pipeline for zero emission buses over the period. That will help to ensure that supply and demand are matched. That is key, and Simon Lightwood is convening groups to focus on that. To meet one of the challenges around the roll-out, we are making sure that best practice is shared with operators and local transport authorities. We are also working with DESNZ on grid connectivity, which is key in this space. The transport for city regions funding and the local transport grant provide capital that can be invested in the space. I just add one small point: I think it is 50 depots that have been electrified so far.

Q43 **Rachel Gilmour:** As the permanent secretary touched on, there are greater challenges in rural areas like my constituency, and for smaller operators. You have specifically identified city funding. What do you have in place to fund these buses in rural areas, and for smaller contractors?

Conrad Bailey: The last round of zero emission bus funding had a particular focus on rural areas, so we are very alive to that point. We have also put in capital funding, in the local transport grant. As we have talked about previously, that is a significant uplift for most rural areas.

Rachel Gilmour: We need to make sure that grant is ringfenced.

Q44 **Anna Dixon:** We have talked about lots of different grants. Even as a Committee member, I am still a little confused, so I am not sure how it is for those in receipt of these funding allocations. There are many different pots, many of them short term, and many have previously been extended at short notice. I know that DfT is now looking to simplify that, as we have talked about. One of those pots is the bus service operators grant. It seems that has been under reform since 2013. Why has the reform taken so long, and why has it still not been fundamentally reformed?

Jo Shanmugalingam: I will start, but Stephen's team lead the work. We absolutely agree with what the NAO says about the number of schemes in the past. To clarify the funding arrangements that we have in place, there are now two primary funding schemes: the local authority bus grant for local authorities, and the bus service operators grant, which I will come on to. There are also two remaining specific interventions: the continuation of the zero emission bus programme, and the fare cap. So we have four



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programmes—funding streams—running. We hope that is making it much simpler for both operators and local transport authorities to work with.

The bus service operators grant has been in place for many years and, as you say, previous Governments have looked to review it. Frankly, in the last few years, we have been overtaken by events and had to respond to other elements, but we made refinements through one of the additional programmes: the bus service operators grant plus. Stephen, perhaps you could talk about what will happen next?

Stephen Fidler: Certainly. It is probably worth saying that BSOG makes up about 8% of the revenue for operators, so it is actually quite an important grant for keeping service levels higher and fares lower than they would be without it. When considering reform, Ministers have previously been very keen on ensuring that there are no sudden cliff edges or sudden changes in funding that would have adverse impacts on services.

The key thing that is potentially in need of reform is the link to fuel usage—the fact that it is fundamentally linked to the litres of fuel used. We have made some incremental reforms as we have gone through. I think it was about 18 months or two years ago that we introduced a much higher rate for zero emission buses, which effectively reflected that and handled the transition. One of the questions we need to work through with the ministerial team is the extent to which, given the need for certainty, they want to drive reform in that area, rather than allow the transition to zero emission buses to take its course. We will explore a range of options with them. I think it is fair to say that the timing of at least two general elections has got slightly in the way of decisions being taken as we have gone through.

Q45 **Anna Dixon:** Do you have a timescale for bringing forward new reform?

Stephen Fidler: We are looking to reform bus funding in the round over the next two to three years. We are discussing the precise timescales with Ministers.

Q46 **Anna Dixon:** For the BSOG?

Stephen Fidler: Yes.

Q47 **Anna Dixon:** Okay. If you could update the Committee as soon as you have that, that would be good. You mentioned the fare cap. BSOG is, I think, the mechanism by which that cap has been done. Have you evaluated the decision to extend the bus fare cap to March 2027, and what data is there on how the move from, I think, £2 in some areas to £3 has impacted passenger use?

Jo Shanmugalingam: Let me start, and maybe Conrad can continue. We have evaluated the £2 bus fare cap. That saw patronage go up 5%, reduced tickets above £2 by an average of 27%, and therefore had a benefit-cost ratio of over one. The evaluation has started on the move to £3, or certainly it will be concluding next spring. We need some time for that data. One important detail in the move to the £3 bus fare cap is that we stipulated that no operator could raise fares by more than inflation, so



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it is not necessarily the case that a fare goes from £2 to £3. It means that fares that would otherwise be above £3 are capped at that level, but operators cannot increase fares above inflation—they cannot artificially increase single fares by 50%.

Conrad Bailey: Currently, the fare cap captures about one fifth of fares, because people use other forms of ticketing, such as weekly seasons and those kinds of things. As Jo said, we have not completed the evaluation of the £3 bus fare; it is just too early. I can say from the ticketing data that we have—that is data, not statistics—that, to the extent we can see, it does not seem to have had a major negative impact on patronage. We know from the evaluation we did of the £2 bus fare that it drove patronage up by about 5% and reduced ticket prices above £2 by an average of 27%. We will keep working on the evaluation of the £3 fare, and we will use that to inform future decisions relating to fares.

Q48 **Anna Dixon:** Were you able to, and will you be able to, disaggregate by socioeconomic status?

Conrad Bailey: I expect we would be able to.

Anna Dixon: Obviously, the concern is that the affordability issues hit those who can least afford it and do not have access to cars because of cost. I would be keen to get any further breakdowns of that.

Q49 **Chair:** You have heard concern from Committee members generally about how you will bring the laggards up to the best, but to do that, you have to be able to measure it, so we can see outcomes, and to do that, you have to have good data. It seems that you are looking at measures to undertake the collection of data to be able to do this. Can you say something about that?

Jo Shanmugalingam: Let me start, but I see that Conrad has the table of indicators for that, so he can give you more detail. We have set out, through the outcomes framework that applies to integrated settlements we have already, the two outcomes of improving public transport and healthier, greener transport. Those have a basket of indicators beneath them: passenger satisfaction, punctuality, reliability, safety and accessibility—many of the issues we have been talking about through the session that drive use, and confidence in bus use. We will now be piloting that with other local transport authorities.

Conrad Bailey: I am conscious that you have done quite a lot of work looking at the use of outcomes frameworks more generally. One of the things that Stephen and I feel quite strongly when we look at bus outcomes is that you need quite a broad and comprehensive basket of indicators. We think if we really boil it down, frankly, we will not be able to give you the insight we want. We are both unapologetic that we think we need quite a good range of data.

The data needs to fall into two broad categories. There is the data we would want to collect on a national basis, so that national comparisons can be made and you can look at why one area is doing better than another.



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We are also conscious that different areas will have specific data that they want. We have been developing the outcome frameworks with the west midlands and Greater Manchester. It was interesting. There were some areas where they wanted a different approach that absolutely made sense. We need a bit of flexibility in there; we need a national picture, but also to allow local specificity.

We are also conscious, as we do this, that local transport authorities in particular are hard-pressed for resources, as we have been discussing. We are trying to come up with a basket of indicators that is heavily driven and based on things that we already collect: DfT's national travel survey, an enhanced version of the transport-focused "Your Bus Journey", our annual bus statistics, and local data—Jo has talked about the sorts of things we are looking at, including mode share of trips, patronage, passenger satisfaction, timeliness, percentage of journeys cancelled and the experience of passengers with accessibility needs. It is very much the range of things we have been talking about this morning. I hope that gives a sense of what our ambition is.

We have some challenges in this space. One of them is that robust and reliable statistics take time to produce. One of the things Stephen and I are grappling with is how we get as near real-time outcome frameworks as possible while also having them be statistically robust. That is a real challenge, not just for us, but for everyone working on outcome frameworks.

Chair: There are a number of challenges in this space. There is real time, standardisation, and not requesting more data than you need—because otherwise it becomes very bureaucratic and time-consuming—but, on the other hand, getting enough data so that you can evaluate the whole system properly. I see you are nodding; I do not need to ask that question any more.

Q50 Mr Betts: I will move on to franchising, which is very much the new kid on the block for many areas now. What can you tell us about the extent to which you think local authorities are beginning to move towards franchising? We know Greater Manchester has got there, but what about other areas? What do you see happening?

Jo Shanmugalingam: Let me start, and then Stephen can add to it. First, there was the statutory instrument that came into force last year to open up franchising to more local transport authorities, and then legislation put in place to make that a smoother and easier process.

We obviously have the Bee Network in Greater Manchester already up and running, going through its tranches of roll-out. A further five areas have already made the decision to proceed—Liverpool, West Yorkshire, Cambridgeshire and Peterborough, South Yorkshire and the West Midlands have committed. The North East combined authority has also published a notice of intent to prepare a franchising scheme.



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As I said, we are clear that the Manchester model is not going to work for many areas. That is why we were really pleased to be able to fund these pilots through the spending review, which will work with local transport authorities—we have York and North Yorkshire and Cheshire West and Chester confirmed—but we intend to work with others as well to test different models.

Jersey has a very interesting model of joint venture, which has increased patronage by nearly 50% in a decade. What are the different models of franchising that might work better in different areas, and how—again, as we have been talking about—can we share that learning as easily and speedily as possible between different transport authorities?

- Q51 **Mr Betts:** You mentioned the Bee Network in Manchester. It clearly had an awful lot of money to help establish that. It was, in some ways, a pioneer that other authorities will learn from. I think Manchester began with saying, “This is our scheme; it is commercially sensitive”—that was, particularly, the attitude of the bus operators at the time—but now they are open and sharing, which is really helpful. But it had a lot of money. Will other areas manage with much less?

Jo Shanmugalingam: Everyone can learn from Manchester and different authorities, but it very much depends on the type of franchising model pursued. I think the Jersey model, certainly, has a much lower cost.

The cost breakdown is different between areas: the cost of establishing the franchise, the professional support needed to set up the new commercial arrangements, and the level of risk the local transport authority feels it is able to take on. There are also questions around whether to buy assets as part of it—for example, the local bus depot—and the operating subsidy that could be provided for socially necessary services in an enhanced partnership.

Those are choices. Through the pilot, we hope to show different ways of doing things at different cost points, appropriate for different areas, so that transport authorities can see whether it could work for them.

- Q52 **Mr Betts:** What information are you giving to authorities at present who are looking at this process? Some of the issues there involve potentially big costs, such as the purchase of depots, for example. But if you do not actually own them, as the franchising authority, you probably exclude many competitive companies that might want to move into the area.

Jo Shanmugalingam: Yes. Perhaps Stephen could talk about the different models we are looking at through the pilot, exactly to help different authorities see whether this can work for their circumstances.

Stephen Fidler: It is worth saying, just on the cost point, that there is an interesting benefits side to the equation. If you look at Manchester, Liverpool and many of these cities, there are real opportunities to integrate networks better. Without commercial competition in play, you can much better co-ordinate your bus, rail and light rail networks in a single system.

In a local authority that is looking to tender its services—I am thinking of a lot of tenders today, and this is, in part, a lesson from the Jersey example—a move from spot tendering to a longer-term relationship, where you have aligned incentives with your operators and tendering on an ongoing basis, can really drive some value-for-money benefits. So transitional costs need to be looked at against that.

In terms of the model, as Jo says, the Jersey model is very much about aligning the incentives between the commercial partner who has been awarded the contract and the operator. There is revenue sharing. I was able to see that model a few years ago. The team in Jersey, which we are in regular contact with, is made up of around three or four people. They delivered that and continue to operate. Obviously, it is a small place, it is an island, but the principles of the commercials are, we think, transferrable.

We have started to share some of that. The Bus Centre of Excellence has run a session with the Jersey team. We have a franchising network for authorities that are interested, and we are taking through some of those other models, which are about potentially growing out in a more gradual way from your existing tender networks. There is no big-bang, overnight move to franchising; as you need to let more contracts and, potentially, things get less commercial, you can take them into the local authority family. There is potentially a world where demand-responsive transport is part of your solution and, actually, you want to build a franchise that connects your demand-responsive and fixed-route services to get the best possible connectivity for your community from the amount of money.

There is also potentially a model where you can look at franchising to fix a problem in a particular part of the local authority, rather than necessarily thinking about it as having to cover the whole of your area. We are looking really creatively, and there are probably about seven to nine authorities that have not currently said anything in public about their interest because they are at various stages, but with which we are working more closely than others and that have a particular interest.

Q53 Mr Betts: It is a big challenge for you—clearly, you are doing the work you just indicated—and for transport authorities, which, for a long time, have sat back and decided to fund the odd route for social reasons, but by and large have just let the operators get on with it. Have they actually got the skills, first to decide which model to follow—as you have just indicated, there are some important and interesting choices—and then to actually deliver something that makes a difference? It is not just franchising what is there, but going out and remodelling all the routes to provide a better and more integrated service. Are the skills really there in most places to do this?

Jo Shanmugalingam: This goes back to the question we talked about earlier relating to the capacity and capability of local authorities. It will absolutely be mixed today for local transport authorities. That is why we are taking the measures. We have the funding available so that at least



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one local transport officer can be employed. A local transport authority can decide what to do with that money—

Q54 **Mr Betts:** This needs a lot more than one officer, doesn't it?

Jo Shanmugalingam: Absolutely.

Q55 **Mr Betts:** We are talking about several teams of officers, actually, to do this.

Jo Shanmugalingam: Absolutely, but at a minimum, the Bus Centre of Excellence, the chartered—

Q56 **Mr Betts:** I know, but one officer is not going to make any difference. I am sorry—it really isn't. This is a massive change of approach.

Jo Shanmugalingam: This is the dedicated funding. As Conrad said earlier, we are really confident that, by setting out longer-term certainty, that gives transport authorities and operators the confidence to invest in the capability they will need to take advantage of that. That is what we will be looking at through the bus service improvement plans.

Conrad Bailey: The officer is designed to allow all local transport authorities everywhere to have someone who can really dedicate their time to thinking about buses. That could be about enhancing the enhanced partnerships in the ways we have been talking about or beginning to think about whether they want to go down a franchising route.

The key thing about the pilots—and the reason we are doing five of them and are choosing the areas quite specifically—is that they will come with some dedicated funding and support. That is designed both to build a wider knowledge base so that the rest of the country can draw on it and come up with solutions that may work for particular types of challenge, such as franchising in a rural area and some of the other challenges Jo talked about. We expect that to get us to the first phase, which is the pre-assessment feasibility phase, so it will allow places to take informed decisions.

I think you are absolutely right that if we asked many local transport authorities today to run a franchising process, they would not have the capability and capacity. We need to help them make those steps, up to the point where they decide whether they wish to, and if they do wish to, there is no doubt that there will need to be an investment of resource there.

Q57 **Mr Betts:** Right. Let's just take a step back to those authorities who have made the decision to go for franchising. Moving down the track, have they got the skills and the capacity? Are you talking to them? What is your view about whether they are able to deliver? I talk to bus operators from time to time and I have my criticisms of them—fairly well made in public over the years—but they would say they are concerned, because when it comes to the skills that they have to apply to route selection, frequency and so on, they are not convinced that all the transport authorities they are working with have those.



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Stephen Fidler: We are working with the group of authorities that are already in that mix on exactly that issue. As you say, there is a lot of learning from Manchester. I think it was the week before last that my team convened representatives of all those that are currently in the process and have taken the decision to go, working with the Urban Transport Group, to look at how you learn from each other and do not reinvent the wheel many times over. It is about looking exactly at, "Have we got the skills we need?", and "Can we get those skills?" Certainly in my conversations—and, I think, in Conrad's—with the senior leadership teams in those authorities, I see the absolute commitment to make sure they have the skills to make it work. If you look at several of them, they are in the middle of a resourcing programme to get in those skills and to put that in place. But have they all got it yet? I would say "not quite".

Q58 **Mr Betts:** Not quite. I just worry that that is a bit complacent. I think we are at the point where bus services in this country, if this goes wrong, are probably on the slippery slope to oblivion. The public think this is going to revolutionise and improve the offer that they are going to get, because it has been presented to them over the years by people saying, "Oh, wait for franchising. Things will improve then." They are going to have to, or else. So are you being a bit complacent about this?

Conrad Bailey: I was up in Liverpool last week to meet the transport leads for the combined authorities that are considering moving forward with franchising. If you look at somewhere like Liverpool, they are putting significant resource in there. There is a real dedication at the political level, to drive some of the things that are going to be really important for delivering franchising successfully, but also at officer level, and I think the resources are being put in place.

Q59 **Anna Dixon:** I am from one of the areas, West Yorkshire, pressing ahead with franchising. The mayor has great ambitions for the Weaver Network and integrated transport system. But I echo some of my colleague Clive Betts' concerns that we are holding out a lot of benefits that franchising would deliver and yet we are hearing about places like Cornwall and Jersey, where a combination of using service improvement better and better contracting could deliver a huge number of the benefits without going down the route of franchising. Franchising also comes with quite a lot of risk—in particular, some of the costs that we see going to the taxpayer rather than to shareholders and the transfer of risk from the private sector to the public sector. So I want to push this point. Do you really believe that the only way to deliver the benefits is to go as far as franchising—

Jo Shanmugalingam: Absolutely not.

Q60 **Anna Dixon:** And do the benefits outweigh the risks?

Jo Shanmugalingam: The legislation and the Government's position are really clear that local transport authorities need to choose between the two; they need to decide whether an enhanced partnership or franchising is the right model for their area. What we can do, and feel is our very strong responsibility, is both to make enhanced partnerships work as well



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as possible and to help local transport authorities to understand how franchising could work in their area, so that they can make the most informed decision. It is absolutely the case that, as you say, enhanced partnerships will, for the vast majority of areas, probably be the right model to continue with and strengthen.

Conrad Bailey: And there are scalable models of franchising, which is exactly what our pilots are designed to work on with places. Not all franchising has to be on the scale of Greater Manchester's. There are more incremental ways into it. This may, for example, allow you to make sure that you are building that capacity incrementally and are doing it in a way that you can resource as a local transport authority.

- Q61 **Chair:** I think Anna Dixon has hit the nail on the head, or the kernel of this argument. It is all about risk, isn't it? If you are contracting out a range of services, you have pretty little risk, other than if the bus service goes into liquidation. If you are doing a joint venture, you have a moderate amount of risk. If you are doing a full franchise, including purchasing all the assets—all the buses, bus stations and depots, and everything else—there is a huge risk. We on this Committee like innovation, but if you pass a lot of risk on to somebody, there is always a risk that it will go wrong.

I do take Clive's point a bit about whether there is an element of complacency about the risk. I think you, as central Government—the £100-odd million that Manchester put into this would have done an awful lot for the south-west. It has worked—thank God it has—but if it had not, it would have been a great deal of money that was at stake.

Stephen Fidler: If I may, I will comment on the £100 million, to give you a flavour of what makes that up and how the risk fits there. Quite a large part of that was the cost of keeping the supported services running over the transition to franchising. It was not the entire cost of franchising per se; a lot of it would have been incurred anyway.

I absolutely agree with you, and I hope that we are not complacent about the risk. We see the scale of the challenge. Leadership is stronger in the MCAs and elsewhere, but it is still on a journey, as we indicated. We are looking to support them with that. When I have discussed it with colleagues in some MCAs about risk, they absolutely recognise it.

The other point that they would note is that the risk of having the service for the passengers who need it is the same under any scenario. While they could walk away a bit more than if it were not contracted, if you want the service for the passengers, the financial risk exists under any model. Manchester, certainly, would say that it is getting the baseline level of funding on a more efficient basis under franchising than if it were managing that risk through the other model in its particular circumstances.

- Q62 **Chair:** I have one more question, following on from Clive and Anna's excellent questions. It is about skills. If you go to a full franchising model, some bus companies will inevitably cease to exist, but within those



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companies there will be some really good skills. What they need to do first, almost at the planning stage, is go out and work out where the best skills are.

Stephen Fidler: I agree. They need to recruit it in. The Jersey model is very deliberately designed to leave the network planning skillset on the side of the operator. The local authority's role is about saying, "What outcomes do I want to achieve? What connectivity do I want? What money have I got?" Then everybody is aligned around hitting those targets, and it is the operator's job to continue to have that skill base rather than trying to transfer it to the local authority. That has to be different in a place like Manchester, where you are trying to match that across your light rail network and your rail network—it is a different world. But for many other authorities, you could very often leave those skills in the private sector under the model that you work with.

Chair: That is really helpful. Thank you.

Q63 **Mr Betts:** I want to move on to the different ways in which you are trying to support different bits of transport. In the end, as we have discussed, buses are not stand-alone; they are part of a wider transport network. You have had a whole range of different initiatives to throw money at, from Active Travel to electric vehicle charging points and even pothole funding. There has been support for bus services and some support for rail. It is a bit of a hotchpotch, isn't it? Where is the support to pull that together? I remember talking about integrated transport systems in the 1970s, and we do not seem to have got much further since then.

Jo Shanmugalingam: I will start on the overall strategy. When Louise Haigh was appointed Secretary of State, she made an integrated national transport strategy a priority, for exactly the reasons that you set out. That was then taken forward by Heidi Alexander. It will be coming out later this year. There has been great engagement right across the country on the characteristics that mean that people can step forward with confidence into the transport system and have the data, have the physical connections and have their accessibility needs met. The levels of integration that you see in London should not be the exception, as they are today in too many places across the country.

Conrad Bailey: We are working on the integrated transport strategy at the moment. We are trying to do it in a very collaborative way with local partners, local transport authorities and the different demographics who use transport, as well as educational, health and other establishments. I expect us to come up with a strategy that focuses on people—the users of transport—and the places where they actually live. Sometimes we have struggled to bring that all together. That relates to your point about how we integrate the bus, the light rail and the improvements through the rail service, which needs to be more locally focused through the work being done on Great British Railways.

There are some areas where you can already see some of that integration happening really well at a local level. We have a bus open data system.



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One of the things that our colleagues in the north-east are doing is using the data that is provided, which we have been pulling together from a bus perspective, to inform them about wider congestions on their roads. We need to see that kind of integration much more naturally across the system.

Q64 Mr Betts: When are we going to see a brand-new integrated transport policy emerge?

Jo Shanmugalingam: Later this year.

Mr Betts: So definitely this calendar year?

Jo Shanmugalingam: That is the plan.

Q65 Mr Betts: And will that form the basis, in local areas, for their own integrated transport arrangements? Is that the intention?

Conrad Bailey: One of the things that we will then be doing is providing local transport guidance that helps places to think about how their local transport needs to come together. That needs to fit with the work that our colleagues in MHCLG and elsewhere do on their local growth plans, because transport is an enabler of growth.

Jo Shanmugalingam: It will also have things that we will need to do as national Government. For instance, what are the data standards, tools or systems we can create to make it possible for local transport authorities and operators to use common systems and common information?

Q66 Rachel Gilmour: Very specifically, will there be money for that strategy? To give you an example—I have spoken to Heidi Alexander about this—I need the trains from Minehead to Bishops Lydeard to Taunton linked up. There currently is not any money in the Department for Transport's budget, but if that were to become part of the integrated transport strategy for Somerset, would that money therefore be available from the Department for Transport?

Jo Shanmugalingam: We have had the spending review. It sets out the Department's long-term settlement. I would think about the integrated national transport strategy as helping to inform what matters, as that funding is implemented by us and the large delivery bodies that we work through.

Rachel Gilmour: Okay—so start lobbying.

Conrad Bailey: The funding that we have announced for local transport is the local transport grant and the transport for city regions funding.

Q67 Chair: I will just mop up one or two points. I think you have partly answered one of them in response to Clive's question about the integrated transport plan, which you said will be out by the end of this year. I had not heard that before; I do not know whether that is in the public domain or whether you have announced that this morning.

On the whole bus strategy and grant that we have talked about this



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morning, I think Stephen said that it would take two to three years to get there fully. Meanwhile, local transport authorities presumably have to operate under the present system. Is there any further help that you can give them in the meantime, until you get to the full strategy and the full grant functioning, to achieve a better service?

Stephen Fidler: The point about two to three years was really about the phase period for reforming the funding side of things. We are absolutely hoping to get the enhanced partnership guidance updated and out either later this year or very early next year, subject to the outcome of that review. Similarly, we hope to be in a position to make the funding allocations for a longer-term period later this year and in plenty of time for next year's budgets. We want to keep moving rapidly.

We also take the NAO's point, which was well made, that we can do a bit more to set out the overall story and strategy for bus more explicitly, so that people understand that. To do that, we will use the updated guidance that we are bringing out and potentially anything else that is appropriate, including the integrated national transport strategy, so that there cannot be any doubt about how everybody's role in the system fits together, what Ministers are expecting and how our funding and the reform all fits together. That should be months away, rather than years.

Q68 **Chair:** It is all good stuff that we have heard this morning. If it all works out as you say it will, it should bring about a considerable improvement, but if I were sitting in Gloucester trying to work out a local transport strategy, I would need more skills around me. I would probably need more skills myself, so let us talk about something we have not talked about today, which is the Bus Centre of Excellence. What are your plans for that?

Stephen Fidler: We have invested about £1 million over the years in setting up the Bus Centre of Excellence. We think it has done a great deal. It published its first annual report yesterday. We have about 1,400 people connected to it, which is a network of professionals that did not exist. There are some really focused working areas; we have talked about franchising, and there is another group particularly focused on electrification and zero-emission bus skills in authorities. There is quite a lot of work being done around personal safety, including a fantastic event around women's safety, and tackling personal safety on transport.

Our reflection, which I think chimes very much with the NAO's reflection, is that there has been some great stuff, but has it been as absolutely targeted on the areas where we are now learning that the most skills development needs to happen? Probably not. We will work with the Bus Centre of Excellence advisory board to ensure that the learnings that we are getting about the key skills areas are chiming with what they are hearing from their members from the sector, and we will agree the forward work programme in the light of that. We are certainly more targeted on what we are trying to achieve and where the skill gaps are.

Chair: A final question in this bus revolution. *[Interruption.]* Oh, we still have Anna to come in. I hope I am not taking all your questions, Anna.

Anna Dixon: No, they are all about accessibility.

Q69 Chair: A final question from me. In this bus revolution, as we should probably call it—and as I hope it will be, for the benefit of all our constituents—there is a lot of new technology, such as interactive timetables on the bus stop, an app or priority bus lanes, that you could put in fairly soon and that would bring about a real improvement for the bus user.

Stephen Fidler: We hugely agree. That is going to be there in our continued advice. We have seen it in quite a few places already. They have rolled it out in Portsmouth, where 290 stops now have real-time information, and they have put QR codes on another 500 stops, so you scan it and it goes straight through to the next time a bus will stop. That is the kind of innovation that we are investing in, through our bus open data system, to potentially roll out on a much more national basis in a low-cost way. If you turn up at the bus stop, you can get the real-time information quickly. We are absolutely working on this.

We talked about ticketing. Multi-operator tap-on, tap-off ticketing is a key part. Quite a lot of the bus priority work that is going on is around using the traffic systems better. In Derbyshire, they have improved about 115 junctions for buses already. Quite a lot of that is about detecting when a bus is coming and just getting the prioritisation for the bus right. I am having conversations with colleagues about whether there is even more we can do, such as potential pilot programmes in the Department around using things like AI and the data feeds that are available. There is massive potential, but we need to keep working on it.

Chair: Yes, it works very well in London. I have an app on my phone where you can see exactly when the next bus will be.

Stephen Fidler: Our bus open data system already provides that core information. It is already a legal requirement that real-time information for every bus should be provided. We are working on compliance; it is at about 85% now. We also need to work with the app providers to get that out more widely. There are apps you can get—I have one—that will give you that, in theory at least, for a bus anywhere. The Transport for Cornwall app and various other authorities do it on a more local basis. We are continuing to drive that quite hard.

Chair: Fantastic. Sorry, Anna, I had not realised that you had more questions.

Q70 Anna Dixon: Last but very much not least, I would like us to talk about the accessibility of buses and bus journeys, particularly for disabled and older people. We have received some excellent evidence from organisations, such as the Transformative Transport Service Design Initiative, setting out some of the persistent barriers that disabled people face, as well as evidence from individuals and older adults, and later-life ambitions. Conrad, how are you going to improve the accessibility of bus journeys?



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Conrad Bailey: We have a number of measures in place, and we absolutely recognise this as an area where there is definitely more to do. Regulations have come out around ensuring that local services have better audible and visible route and destination announcements. The implementation should be in place by October 2026. We have been working with smaller operators and SMEs to support them in complying.

We have also been looking at innovation around the accessible information service, so that operators can retrofit services that do not necessarily have it. We are working with DVSA on targeted enforcement in this space. We are expecting to be very clear, using both our outcome framework and our revised BSIP guidance, around the expectation that local transport authorities have very focused plans and consider the impact on disabled passengers. We are really thinking about that.

There is a requirement in the Bill for us to provide guidance on floating bus stops within three months. We are expecting bus network accessibility plans to be developed. We are also putting greater requirements on local transport authorities to work with disabled people and representatives, to really focus our work in this space. The final thing that I would focus on is the training that we are giving to passenger-facing staff and placing a requirement in the legislation for that.

There is a suite of measures there that I hope will take us forward, but if you look at the bus survey data, it shows very clearly that disabled passengers have a poorer experience on buses, as we would all recognise from our own experiences and conversations, so there is more to do there.

Q71 Anna Dixon: Clearly, colleagues were very exercised about floating bus stops on Second Reading of the buses Bill. I am glad you mentioned them and it is certainly important that we make changes. We also welcome some of the commitments in that Bill.

Do you have data that will allow—or already allows—you to monitor what percentage of the network is accessible and what percentage of the fleet has the necessary physical, visual and hearing adjustments to track progress?

Conrad Bailey: We have some data. We need to build it into the outcomes framework so that we are challenging that expectation of improvement.

Q72 Anna Dixon: I was pleased to hear about training. I remember from work I did at the Centre for Ageing Better how the Isle of Wight was the front runner in training its bus drivers in age suits to appreciate what it was like to try and get on one of its buses. That training made a big difference to driver's attitudes to people with mobility issues.

What else are you doing to ensure inclusive design, and not only of the physical buses? You talked about digital—obviously technology can enhance, but it also can exclude, so can you tell us specifically what you are doing on digital inclusion?



Stephen Fidler: I would mention two things. First, where the services are particularly reliant on digital—things such as demand responsive—we are absolutely promoting and encouraging to ensure that there is a non-digital alternative: a phone line or some other assisted-digital type support. That is particularly true where we fund those services. That is important. It also feeds into some of the thinking about not just relying on apps but funding the physical displays at bus stops in the most important locations.

On digital more widely, we have a discovery project going on now about how we can potentially look to include information about the accessibility of stops into some of those journey planning and other data. That is at the very early stage, but it is something we are working on so that passengers are able to plan—where they have accessibility to the digital systems—and understand what their journey would be like.

On your point about inclusive design, that is one of the objectives of our bus manufacturing panel. Next week we are having the next meeting of that panel in Brighton and Hove, which is a real leader in this space. I have the privilege of chairing that meeting. We are bringing some people with lived experience and the women in bus and coach community along with operators and manufacturers to look at whether we have been too complacent in the design of buses in the past. Also, we are asking how do we think about design differently for a more inclusive use in the future moving forward? That is absolutely a challenge that we are throwing out to the sector.

Jo Shanmugalingam: Stephen has shared across the whole Department for Transport the work that Brighton and Hove has done on dementia awareness, both from a design point of view and in terms of the support they give staff to understand, encourage and make journeys accessible for people with dementia. It is amazing work.

Q73 **Anna Dixon:** With the population ageing, more of us are going to have a disability, so ensuring that we can all still get out and about and enjoy our life is going to be a major priority. In the long run, how are you going to get more older and disabled people back on the buses?

Conrad Bailey: This goes back to something that I touched on earlier: despite the potential population growing, we have seen a drop-off in people taking up their concessionary bus passes and the freedom and opportunity that they can provide people.

One of the things that we need to work with local transport authorities and operators on is a clear expectation that they need to be promoting this concessionary opportunity in terms of what it creates for people—that, plus some of the measures that Stephen and I have touched on, which make the buses more accessible and more attractive, such as the Brighton and Hove dementia-friendly approach to buses. It will be a combination of all those efforts and making sure that we are promoting those best-case examples around the country, so that other people can copy them with pride.



Q74 Anna Dixon: You have mentioned demand-responsive services a few times. Could you say what difference those could make? I am thinking particularly of that last mile. For a lot of older people, even getting to the bus stop is a barrier. What do you really mean by “demand-responsive”? What would your vision be for that if it was working well?

Jo Shanmugalingam: The Committee looked at highways maintenance a little while ago. One of the things that we are very focused on is pavements—as you say, you need to be able to get into the public transport system confidently, so we are taking forward the Committee’s recommendations there.

We have had the rural mobility fund pilot, supporting demand-responsive schemes. We are still looking at the overall impact evaluation of that; it is fair to say that usage was quite low to start with, but it built over time, as people understood the service and how it works. It is a novel way of working, but we hope to have that impact evaluation later next year.

Stephen Fidler: It is worth saying how those schemes can work. They tend to cover a zone and are provided by smaller vehicles, generally minibuses, which are quite often accessible. There can be a mix in the fleet; sometimes there can be taxis, at the small end of the spectrum, where demand is not so high.

Depending on the design, you can either get the schemes to connect to the fixed-route bus service, from your home potentially, or you can go to a fixed point in a city centre or town centre. It tends not to do a journey within a town, but gets you from a more rural area in. Although it does not give you the certainty of a fixed-route bus service, in my view it absolutely has the potential, for a given amount of money, to offer a greater connectivity and set of journey choices for people.

We have deliberately let 17 slightly different approaches bloom in different local authorities so that we could learn from the best combination of those and provide best practice advice on how people could make it work for their communities. We are looking to make that work. It is fair to say that of the pilots that have finished all, without exception, have continued and extended from the wider funding from the authorities. That is telling me something.

Anna Dixon: Thank you for explaining it; to most people, “demand-responsive” sounds a bit abstract. But the reality is that for many people the ability to dial a ride—or whatever the particular community transport scheme is—can be really life-changing. I hope to see more on those pilots in future. I think that it probably it on accessibility, Chair.

Q75 Chair: I have a question about accessibility. Transport for London has worked pretty hard on step-free access on the tube. The rail companies have worked a little less hard—there is still a lot to do there. But on buses, step-free access is virtually non-existent. It is pretty demeaning if somebody has to come out with a ramp or to let a platform down. It would be so much easier if somebody in a wheelchair or somebody who had walking difficulties or whatever was able to just go in by step-free access.

What more can we do with buses?

Jo Shanmugalingam: Absolutely. Some authorities are making good progress on levelling up the height of bus stops exactly for that purpose.

Stephen Fidler: A couple of thoughts. First, one thing we are looking at in the Bill is to expect an accessibility network plan for bus stops and bus infrastructure. It would be a fair comment to say that we have not perhaps focused enough on that in the past. We need to focus more on it going forward.

Again, there are some good examples. One of the things that jumped out at me from the work on this—I think it was in Portsmouth—was a bus stop accessibility audit as part of a BSIP. Feedback about every single stop was invited from customers around their experiences, and improvements were then targeted at the most significant places that needed dealing with. They have not fixed everything, but they have made some noticeable differences.

Chair: I am glad to hear that you are forcing them to think about it, anyway; if they think about it, they might do something about it.

- Q76 **Mr Betts:** Everything sounds nice. We are all moving in the same direction and making improvements, except there are conflicts, aren't there? I have seen some in Sheffield, where you are encouraging people to get on a bus, but then some older people say, "But when you put a major pedestrian area in, the bus does not get me where I want to go. I cannot walk like other people, so I don't go."

The recent one, of course, is floating bus stops. We encourage cyclists, and suddenly people who have visual impairments are really concerned about trying to get to their bus stop if cyclists are whizzing past and nearly knocking them down. How do we square those conflicts?

Jo Shanmugalingam: That is why these integrated transport systems need to be designed at a local level, because it is those very micro decisions that need to be made that look at the interests of different users. What we can do is to set out the expectations of what needs to be considered and help with the tools and the training so that those best informed local judgments can be made. They always will need to be local judgments.

- Q77 **Mr Betts:** When you give a grant—you have given lots of very specific grants for active travel—do you put any conditions on about making sure that they do not adversely affect some sections of the community?

Jo Shanmugalingam: I think you are seeing through the bus legislation the requirements we are going to be setting out and the sorts of things we are putting on ourselves in terms of providing particular design guidance. The work that Active Travel England does is very much about going in and supporting local authorities to help them better design integrated active travel networks for walking and cycling that support the public transport system alongside the local authorities.



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Q78 **Mr Betts:** Right. I am not sure that is going to do away with all the conflicts that arise, but—

Jo Shanmugalingam: It will help us to make progress.

Q79 **Mr Betts:** I have a final question. We talked about greener buses, and quite a bit of reference was made to electric buses and having facilities in garages for that. No mention was made of hydrogen.

Jo Shanmugalingam: We definitely see that hydrogen fuel cell could play a role for rural locations, where a single charge will not get through a full day. I think there has been some look at that through the ZEBRA programme.

Stephen Fidler: There has. It is probably worth saying that whenever I talk about zero emission or electric buses, I tend to think of both battery electric and hydrogen, so I was talking about both as we went through. We have always been technology-neutral in the programmes that we have run.

We have tended to find that there is a general preference, for a whole range of reasons—possibly to do with the maturity of the technology—for electric, but we are looking at 300 km on a potential charge. Possibly around a third of routes cannot do that at the moment, so hydrogen definitely has potential, there are options and we will keep working on it.

Q80 **Mr Betts:** Is it the cost? That is what I am told when I talk to transport authorities or bus operators—it is the additional cost of those buses. Until they are bought in sufficient numbers, the cost is not going to come down, is it?

Stephen Fidler: There are a number of factors. There is the cost; I think they are more expensive, although I have not got precise numbers to hand. There have also been some issues about the storage of the hydrogen, particularly in urban areas.

There have been some issues with the health and safety side, so can you get the expansion space? Indeed, there have been some questions about hydrogen production; can you get the green hydrogen, and can you get it to site in a really efficient way? There are a range of challenges that we will keep working on.

Mr Betts: There are manufacturing facilities. ITM Power in my constituency produces hydrogen equipment. It is available, and indeed we are selling it abroad to other countries, so it does exist.

Chair: Any more questions? No? I think we have pretty thoroughly examined the issue of buses this morning, so we thank you very much, permanent secretary, and your two colleagues. It has been a very interesting session.

An uncorrected transcript of this hearing will be published on the Committee's website in the coming days. The Committee will consider carefully the evidence that you have provided this morning and produce a



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report, no doubt with recommendations, in due course. Thank you again.